



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
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Fifth District

November 15, 2016

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

12 November 15, 2016

LORI GLASGOW  
EXECUTIVE OFFICER

**NEW LEASE  
DEPARTMENT OF PARKS AND RECREATION  
1000 SOUTH FREMONT AVENUE, ALHAMBRA  
(FIFTH DISTRICT)  
(3 VOTES)**

### SUBJECT

A new eight-year lease for approximately 55,583 square feet of office space, and 250 on-site parking spaces located at 1000 South Fremont Avenue, Alhambra, for the Department of Parks and Recreation.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Consider the attached Negative Declaration together with the fact that no comments were received during the public review process, find on the basis of the whole record that the project will not have a significant effect on the environment and no adverse effect on wildlife resources, find that the Negative Declaration reflects the independent judgment of the Board of Supervisors to approve the Negative Declaration, adopt the Negative Declaration, find on the basis of the whole record that the project will have no effect on fish and wildlife, and instruct the Chief Executive Officer or her designee, to complete and file the appropriate determination forms as to the project.
2. Approve and instruct the Chair to sign an eight-year lease, with two five-year extensions, as well as a right of first offer to purchase, from The Alhambra Office Community, LLC, for the approximately 55,583 square feet of office space, and 250 on-site parking spaces at 1000 South Fremont Avenue, Alhambra, for the relocation of the Department of Parks and Recreation's Headquarters, at an annual first year cost not to exceed \$2,054,666, which is comprised of a \$1,649,171 initial annual base and parking rent and a \$405,495 maximum annual cost of the telephone, data, and low voltage

systems, should the entire amount be expended. The rental and related costs are 95.3 percent net County cost and 4.7 percent fee/revenue offset. Tenant Improvement allowance at a cost not to exceed \$2,529,027 will be financed over five years, in the amount of \$600,943 annually. Payment and interest for the tenant improvements will commence at the third year of the term. The proposed relocation will not require an increase to the fees currently charged by the Department of Parks and Recreation.

3. Authorize the Director of Internal Services, the Landlord, or the Landlord's County-approved vendor, or their designees, at the direction of the Chief Executive Officer or her designee, to acquire telephone, data and low voltage systems for the Department of Parks and Recreation Headquarters relocation at a cost not to exceed \$1,725,000. All of the telephone, data, and low voltage systems will be paid via lump sum or TESMA financed over five-years, at a cost not to exceed \$405,495 annually.

4. Authorize and direct the Chief Executive Officer or her designee to execute any other ancillary documentation necessary to effectuate the lease, and authorize and direct the Chief Executive Officer, and the Directors of Parks and Recreation and Internal Services, or their designees, to take actions necessary and appropriate to implement the project. The lease will be effective upon approval by the Board of Supervisors, but the term and rent will commence upon completion of the tenant improvements by the Landlord, or the Landlord's County-approved vendor, and acceptance by the County.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The proposed lease will provide the Department of Parks and Recreation (Parks) with approximately 55,583 square feet of office space, and 250 on-site parking spaces at 1000 South Fremont Avenue, Alhambra (Facility), allowing them to relocate their headquarters and Regional Park and Open Space District staff from the County-owned buildings located at 510 and 433 South Vermont Avenue, Los Angeles (Vermont) and its Contracts and Golf Division staff from 301 North Baldwin Avenue, Arcadia (Arboretum). The proposed office will be occupied by approximately 242 employees.

Relocation and consolidation of Parks' offices has been a long term need, and an extensive search has gone on for several years to identify an appropriate location that satisfies the Department's office space needs and complies with the County Relocation Policy. The proposed relocation is also driven by construction of the Vermont Corridor project approved on August 9, 2016 by the Board of Supervisors. The co-location of Parks staff within the same building will improve work efficiency and productivity, and ensure collaboration among administrative functions.

#### **Access to Public Transportation**

The Alhambra Office Community, LLC (Landlord) is in discussions with ACT to extend access to the Metro Gold Line. In the interim, the Landlord has agreed to provide shuttle service between the Metro Gold Line and the complex for two years or until the City extends its ACT service within the two-year period.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services. In this case, the County is supporting this Goal by providing services that improve productivity, reduce customer costs, and enhance customer service. The proposed lease complies with the Asset Management Principles, as outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The proposed new lease will provide Parks approximately 55,583 square feet of office space and 250 on-site parking spaces at a maximum first year rental cost of \$2,054,666, which is comprised of the \$1,649,171 initial annual base and parking rent, and the annual \$405,495 for telephone, data, and low voltage systems amortized cost, should the entire amounts be expended. The annual \$600,943 Tenant Improvement (TI) allowance amortized payments and interest commence at the third year of the term over 60 months.

Sufficient funding for the proposed lease and low voltage and TI reimbursement costs is included in the Fiscal Year (FY) 2016-17 Rent Expense budget, and will be billed back to Parks. Parks has sufficient funding in their FY 2016 17 operating budgets to cover the projected lease costs. Funding up to \$1,388,000 annually is included in the Provision Financing Unit budget and will be recommended for Parks Operating Budget to cover the rental costs until the end of the term. Attachment B is an overview of the proposed lease costs. The \$2,054,666 annual rental and related costs are 95.3 percent net County cost including the \$1,388,000 ongoing funding and 4.7 percent fee/revenue offset based on their current budget. The proposed relocation will not require an increase to the fees currently charged by the department.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed new lease includes the following provisions:

- An eight-year lease term, which commences upon completion of the tenant improvements by the Landlord and acceptance by the County.
- A full-service gross lease whereby the Landlord is responsible for all operating expenses associated with County's occupancy, including janitorial expense.
- A cancellation provision allowing the County the right to cancel the lease at any time after 84 months of the lease term, with 120 days prior written notice.
- Two five-year options to extend the lease at the same terms and conditions with 12 months prior written notice.
- A non-reimbursable base TI allowance of \$3,112,684, or \$56 per square foot.
- A reimbursable additional TI allowance of \$2,529,027, or \$45.50 per square foot, payable in a lump-sum or \$600,943 annual amortized payments over 60 months with payments and interest commencing on the third year of the term at an interest rate of 7.5 percent.

- Annual rental rate adjustments based upon the Consumer Price Index (CPI), with a minimum of 2 percent and maximum of 5 percent per annum.
- A right of first offer giving the County the opportunity to purchase the property and tenant improvements at the Facility when available for sale.

The Chief Executive Office (CEO), Real Estate Division, initially surveyed the Downtown Los Angeles (Downtown) area and was unable to identify any sites in that surveyed area that could accommodate this requirement more economically at this time. Staff expanded its search to surrounding areas and included the Alhambra area within close proximity to the DPW Headquarters located at 900 South Fremont Avenue, Alhambra. Based upon a review of available industry data, staff has established that the annual rental range for similar space and parking costs in Downtown and Alhambra is between \$25 and \$66 per square foot on a full-service gross basis, including parking. Thus, the base annual rental rate of \$30 full-service gross including parking, for the proposed lease represents a rate within the market range for the area searched. Attachment C shows all County-owned and leased facilities within the surveyed areas, and there are no County-owned or leased facilities available for the program.

The Department of Public Works has inspected this facility, and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

### **ENVIRONMENTAL DOCUMENTATION**

The CEO has made an initial study of environmental factors and concluded that the project will have no significant impact on the environment and no adverse effect on wildlife resources. A Negative Declaration has been prepared and a notice posted at the 208 East 6th Street facility as required by the California Environmental Quality Act (CEQA) and California Administrative Code, Section 15072. Copies of the completed study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

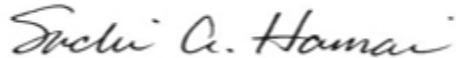
The proposed lease will provide the necessary office space for this County requirement. Parks concurs with the proposed lease. A long-term strategy will be developed to locate this function in County-owned space when appropriate space becomes available, including the possibility of a build-to-suit as an option in the future.



**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Los Angeles, CA 90012.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sachi A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:CMM

TS:MAC:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Internal Services  
Parks and Recreation  
Public Works

## ATTACHMENT A

**DEPARTMENT OF PARKS AND RECREATION  
1000 SOUTH FREMONT AVENUE, ALHAMBRA  
Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b>Occupancy</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
A	Does lease consolidate administrative functions? <sup>2</sup>	<b>X</b>		
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	<b>X</b>		
C	Does this lease centralize business support functions? <sup>2</sup>			<b>X</b>
D	Does this lease meet the guideline of 200 sq. ft. of space per person? <sup>2</sup> <b>No, it is approximately 230 sq. ft. per person due to space for conference rooms, storage, and plan check space needs.</b>		<b>X</b>	
<b>2.</b>	<b>Capital</b>			
A	Is it a substantial net County cost (NCC) program? <b>95.3 percent net County Cost and 4.7 percent fee/revenue offset.</b>	<b>X</b>		
B	Is this a long term County program?	<b>X</b>		
C	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy? <b>The County has a right of first offer to purchase the facility when it becomes available.</b>		<b>X</b>	
D	If no, are there any suitable County-owned facilities available?		<b>X</b>	
E	If yes, why is lease being recommended over occupancy in County-owned space?			<b>X</b>
F	Is Building Description Report attached as Attachment C?	<b>X</b>		
G	Was build-to-suit or capital project considered? <b>No, funding will need to be identified.</b>		<b>X</b>	
<b>3.</b>	<b>Portfolio Management</b>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	<b>X</b>		
B	Was the space need justified?	<b>X</b>		
C	If a renewal lease, was co-location with other County departments considered?			<b>X</b>
D	Why was this program not co-located?			<b>X</b>
	1. _____ The program clientele requires a "stand alone" facility.			
	2. _____ No suitable County occupied properties in project area.			
	3. _____ No County-owned facilities available for the project.			
	4. _____ Could not get City clearance or approval.			
	5. <u>  X  </u> The Program is being co-located.			
E	Is lease a full-service lease? <sup>2</sup>	<b>X</b>		
F	Has growth projection been considered in space request?	<b>X</b>		
G	Has the Dept. of Public Works completed seismic review/approval?	<b>X</b>		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
	<sup>2</sup> If not, why not? Please <b>bold</b> any written responses.			

**OVERVIEW OF THE PROPOSED LEASE COSTS**

Area (square feet)	55,583
Term (years)	Eight-years, commencing upon Board approval and County's acceptance of the TI
Annual Base Rent <sup>(1)</sup>	\$1,534,091 (\$27.60 per sq. ft. annually)
Annual Parking Rent	\$115,080 (222 @ \$35.00 per parking space per month) ( 28 @ \$65.00 per parking space per month)
Annual Combined Rent (Base Rent + Parking Rent)	\$1,649,171 (\$29.67 per sq. ft. annually)
Annual TI Reimbursement <sup>(2)</sup>	\$600,943 (\$10.81 per sq. ft. annually)
Annual Low Voltage amortized costs <sup>(3)</sup>	\$405,495 (\$7.35 per sq. ft. annually)
The Maximum First Year Rental Cost <sup>(4)</sup>	\$2,054,666 (\$36.97 per sq. ft. annually)
Base TI Allowance (non-reimbursable)	\$3,112,648 (\$56.00 per sq. ft.)
Additional TI Allowance	\$2,529,027 (\$45.50 per sq. ft.)
Low Voltage Budget	\$1,725,000 (\$31.27 per sq. ft.)
Parking	250 (222 @ \$35 per parking space per month) ( 28 @ \$65 per parking space per month)
Cancellation	County may cancel at the seventh year anniversary
Option to Renew	Two 5-year options upon 12 months written notice
Right of First Offer	Right of first offer to purchase the Premises when available
Rental Adjustment	Annual CPI adjustments of 2 percent capped at 5 percent of Base Year Rent

(1) Lease rate to be \$2.30/sf per month or \$27.60 per annum.

(2) \$2,529,027 represents the maximum amount of reimbursable TI funds available for this project. If this entire amount is expended and amortized over 60 months with payments commencing on the 3<sup>rd</sup> year of the term at the proposed rate of 7.5 percent, the annual TI reimbursement will be \$600,943 (\$10.81 per sq. ft. annually).

(3) \$1,725,000 represents the maximum amount of low voltage funds budgeted for this project. If this entire amount is expended and amortized over 60 months at the rate of 7 percent, the annual TESMA payment will be \$405,495 (\$7.35 per sq. ft. annually).

(4) Includes first year annual base rent, parking rent, and the maximum annual cost of the telephone, data, and low voltage systems amortized cost if fully utilized.

## ATTACHMENT C

**1000 SOUTH FREMONT AVENUE, ALHAMBRA  
SPACE SEARCH – FIVE MILE RADIUS**

Laco	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Vacant SQFT
A471	THE ALHAMBRA COMPLEX - EAST TOWER	1000 S FREMONT AVE, ALHAMBRA 91803	LEASED	194,141	165,995	NONE
0122	THOMAS A TIDEMANSON BLDG-ANNEX BLDG	900 S FREMONT AVE, ALHAMBRA 91803	FINANCED	43,500	36,975	NONE
X900	THOMAS A TIDEMANSON PUBLIC WORKS BLDG	900 S FREMONT AVE, ALHAMBRA 91803	FINANCED	536,168	363,876	NONE
X901	COMMUNITY DEVELOPMENT COMMISSION & HOUSING AUTHORITY HEADQUARTERS (NEW)	700 W MAIN ST, ALHAMBRA 91801	COMMUNITY DEVELOPMENT COMMISSION	118,265	105,101	NONE
5883	ALHAMBRA COURTHOUSE	150 W COMMONWEALTH AVE, ALHAMBRA 91801	FINANCED	111,727	65,494	NONE
X167	SHERMAN BLOCK SHERIFF'S HEADQUARTERS BUILDING	4700 W RAMONA BLVD, MONTEREY PARK 91754	FINANCED	125,000	106,250	NONE
X201	EDMUND D EDELMAN CHILDREN'S COURT	201 CENTRE PLAZA DR, MONTEREY PARK 91754	FINANCED	275,530	205,280	NONE
A015	DCFS/LASD/FIRE/OPS/ISD CORPORATE PLACE	2525 CORPORATE PL, MONTEREY PARK 91754	LEASED	40,483	35,248	NONE
3241	EAST LOS ANGELES COURTHOUSE	4848 E CIVIC CENTER WAY, EAST LOS ANGELES 90022	FINANCED	126,973	68,003	NONE
3100	NORTHEAST JUVENILE JUSTICE CTR BLDG-1	1601 EASTLAKE AVE, LOS ANGELES 90033	OWNED	47,579	34,727	NONE
5863	ISD-ADMINISTRATIVE HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	OWNED	80,309	58,826	NONE
3102	JUVENILE HALL-ADMINISTRATION BUILDING-4	1605 EASTLAKE AVE, LOS ANGELES 90033	OWNED	75,907	33,945	NONE
4946	MED CTR-INTERNS & RESIDENTS BUILDING	2020 ZONAL AVE, LOS ANGELES 90033	OWNED	142,448	79,494	NONE
5397	PASADENA COURTHOUSE	300 E WALNUT ST, PASADENA 91101	OWNED	228,638	126,899	NONE
A426	DCFS-PASADENA (SPA 3)	532 E COLORADO BLVD, PASADENA 91101	LEASED	75,235	70,721	NONE
A554	SAN GABRIEL VALLEY FAMILY SERVICE CTR II	3400 AEROJET AVE, EL MONTE 91731	LEASED	131,806	120,000	NONE
A493	SAN GABRIEL VALLEY FAMILY SERVICE CTR I	3350 AEROJET AVE, EL MONTE 91731	LEASED	120,000	108,000	NONE
A497	DPSS-SAN GABRIEL VALLEY GAIN PROG REG III	3216 ROSEMEAD BLVD, EL MONTE 91731	LEASED	41,836	39,744	NONE
A522	PH/DPSS/DCFS-TELSTAR EL MONTE CTY CTR	9320 TELSTAR AVE, EL MONTE 91731	LEASED	163,000	146,700	NONE
A275	COMMUNITY DEVELOPMENT COMM HDQRTRS	2 CORAL CIR, MONTEREY PARK 91755	LEASED	67,500	60,750	NONE

## FACILITY LOCATION POLICY ANALYSIS

**Proposed Lease:** Eight-year lease for - 1000 South Fremont Avenue, Alhambra – 5<sup>th</sup> District

**A. Establish Service Function Category** – Regional and local public service function.

**B. Determination of the Service Area** – The proposed lease will provide use of approximately 55,583 square feet of office space for the Department of Parks and Recreation Headquarters.

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: N/A
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center:

This location is approximately seven miles from the Civic Center making it more than a 10-minute walk from the Hall of Administration, however it is conveniently located near public transportation as identified in the Board location policy for department headquarters.

- Economic Development Potential: N/A
- Proximity to public transportation:

The Facility is conveniently located near public transportation routes that include Metro bus lines to Union Station and the Cal State LA Metrolink Station providing transfers from origins throughout the County. In addition, the City of Alhambra has a low cost transportation service, ACT, throughout the city including service to the Cal State LA campus, the Metrolink Station, and downtown Alhambra with stops in front of the Facility's main entrance at Fremont Avenue and Mission Road.

Landlord is in discussions with ACT to extend access to the Metro Gold Line. In the interim, the Landlord has agreed to provide shuttle service between the Metro Gold Line and the complex for two years or until the City extends its ACT service within the two-year period.

DPW has shuttle service from Union Station to DPW Headquarters located at 900 Fremont, Alhambra driven by DPW employees participating in the carpool. In addition, a rideshare program offers third-party amenities including vanpool subsidies, up to a \$400 monthly rebate through Los Angeles County MTA. New vans are available through V-ride (similar to rent-a-vehicle) and Wageworks allows for deductions on the cost associated with public transit for an average savings of \$30 per month.

- Availability of affordable housing for County employees: Alhambra is a bedroom community affording employees a wide range of housing options and costs.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The site is currently zoned commercial and the current use as office space is consistent with the building's use, zoning and not in conflict with the goals and policies of the City of Alhambra. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.
- Estimated acquisition/construction and ongoing operational costs: The initial \$2,054,666 maximum annual rental cost is comprised of the following: \$1,649,171 initial annual base and parking rent and the \$405,495 maximum annual amortized telephone, data, and low voltage systems cost, should the entire amount be expended.

#### **D. Analyze results and identify location alternatives**

The Chief Executive Office (CEO) Real Estate Division staff surveyed the area within a ten minute walk from the Hall of Administration, as specified by the Board of Supervisor's motion of February 17, 2015, in order to maintain close proximity within the service area. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement at that time.

Based upon a review of available industry data, staff has established that the annual rental range for similar space and parking costs is between \$25 and \$66 per square foot on a full-service gross basis, including parking. Thus the base annual rental rate of \$30 full-service gross including parking, for the proposed lease represents a rate within the market range for the surveyed area. Attachment C shows all County-owned and leased facilities within the surrounding Alhambra area and there are no County-owned or leased facilities available for the programs.

#### **E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria**

The facility provides proper accommodations for Parks Headquarters serving the Los Angeles region. The lease is in conformance with the Asset Management Principles, as outlined in Attachment A. The consolidation of services within one facility at the proposed Facility will provide a central and appropriate location, which is consistent with the County's facility location policy, adopted by the Board of Supervisors on July 24, 2012.

2016 015457



FILED

Jan 21 2016

Dean C. Logan, Registrar - Recorder/County Clerk

Electronically signed by MEEKIE FISHER

THIS NOTICE WAS POSTED

ON January 21 2016

UNTIL February 22 2016

DATE POSTED - January 21, 2016

REGISTRAR - RECORDER/COUNTY CLERK

**NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION**

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles  
Chief Executive Office
2. Address/Phone No. - 222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
  

<u>Agent</u>	<u>Telephone</u>
Miguel Covarrubias	(213) 974-4164
3. Date Information Form Submitted - January 21, 2016
4. Agency Requiring Information Form - Los Angeles County  
Chief Administrative Office  
Real Estate Division
5. Name of Proposal, if Applicable - N/A
6. Address of Facility Involved - 1000 Fremont Avenue  
Alhambra, CA 91803
7. Description of Project - The leasing of 129,399 square feet of office space in an existing building to be used by the County of Los Angeles (Regional Planning and Public Works Department) as a regional One-Stop and administrative use.
8. Finding for Negative Declaration - It has been determined that this project will not have a significant effect on the environment.

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2 above and referring to the proposal by name or to the facility by address.

Si necesita información en español, por favor de comunicarse con el agente designado, para asistencia en obtener una traducción.

**NEGATIVE DECLARATION**

Department Name: Regional Planning and Public Works  
Project: "Regional One-Stop"

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Regional Planning and Public Works Departments as a Regional One-Stop center and administrative offices.

2. a. Location of Project (plot plan attached)

1000 Fremont Avenue  
Alhambra, CA 91803

b. Name of Project Proponent

County of Los Angeles  
Chief Executive Office  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated January 21, 2016 which constitutes the Initial Study of this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Executive Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date  
January 21, 2016

Real Property Agent  
Miguel Covarrubias

Telephone  
(213) 974-4164



**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE****EIGHT YEAR LEASE****NEGATIVE DECLARATION****I. Location and Description of the Project**


The proposed project is for the County of Los Angeles to lease facilities at 1000 South Fremont Avenue, Alhambra, California, which will be used by Regional Planning Public Works and ancillary Departments complimenting the new "Regional One-Stop". The facility, located in the Fifth Supervisorial District approximately 7 miles from the Los Angeles Civic Center, includes approximately 129,399 square feet of office space. The County Departments shall have use of approximately 520 off-street parking spaces for departmental staff and visitors. The Landlord has no expansion plans beyond the scope of this project.

**II. Finding of No Significant Effect**

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

**III. Mitigation Measures**

None required.

2016 015457  
  
**FILED**  
Jan 21 2016  
Deen C. Logan, Registrar - Recorder/County Clerk  
Electronically signed by MEEKIE FISHER





FILED

Jan 21 2016

Deen C. Logan, Registrar - Recorder/County Clerk

Electronically signed by MEEKIE FISHER

**INITIAL STUDY****I. Location and Description of Project**

These proposed leased premises are located at 1000 South Fremont Avenue, Alhambra, located in the Fifth Supervisorial District approximately 7 miles east of the Los Angeles Civic Center and approximately 1 mile north of the 10 freeway and east of the 710 freeway (see attached map).

The building to be used is owned by The Alhambra Office Community, LLC and is intended for use as office space and a Regional One-Stop Center. Located at the site are approximately 520 non-exclusive off-street parking spaces for the Regional Planning and Public Works Departments and ancillary Departments complimenting the "Regional One-Stop" center and public parking located within the parking lot and surrounding area.

This project consists of leasing this facility for eight years in which will be located the "Regional One-Stop", Regional Planning, Public Works and ancillary Department offices. It is anticipated that an average of 456 employees will be occupying the premises with the maximum employee occupancy anticipated to be approximately 456 per day. In addition to the employees, it is anticipated that an average of 50 members of the public per day will be visiting the facility for normal administrative and service purposes. No expansion of existing premises will occur for this project and no exterior alterations, except for interior tenant improvements and furnishings, will be performed for this project.

**II. Compatibility with General Plan**

This project site is currently designated as an Office Building in the City of Alhambra General Plan and zoned ALMPD. The proposed project would be consistent with these designations.

**III. Environmental Setting**

The project site is located in an area of commercial type facilities. The site includes approximately 474,324 square feet of developed property. The site is located on Fremont Avenue, in the City of Alhambra.

**IV. Identification of Environmental Effects**

A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines is anticipated.

B. The project will not conflict with adopted environmental plans and goals of

FILED  
Jan 21 2016

Deen C. Logan, Registrar - Recorder/County Clerk

Electronically signed by MEEKIE FISHER

the City of Alhambra.

- C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for legal services purposes. The County's use is in conformance with uses approved by the City of Alhambra.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No significant increased energy consumption is anticipated by the County's use of the premises as compared to previous uses.



- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Miguel Covarrubias of the Los Angeles County Chief Executive Office, Real Estate Division. This study was completed on January 21, 2016.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

THIS LEASE ("Lease") is entered into as of the 15th day of November, 2016, between **THE ALHAMBRA OFFICE COMMUNITY, LLC**, a Delaware limited liability company ("**Landlord**"), and **COUNTY OF LOS ANGELES**, a body politic and corporate ("**Tenant**" or ("**County**").

Landlord and Tenant agree:

**1. BASIC LEASE INFORMATION.**

**1.1 Terms:** The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

a. Landlord's Address for Notice: The Alhambra Office Community, LLC  
1000 South Fremont Avenue  
Unit 1, Building A7, Suite 7300  
Alhambra, California 91803  
Attn: Senior Development Manager  
Telephone No.: (626) 300-5000  
Facsimile No.: (626) 300-5025

with copies to:

c/o AIG Global Real Estate Investment Corp.  
121 Spear Street, 5th floor  
San Francisco, CA 94105  
Attention: Andrew Pellman  
Telephone: (415) 399-5856  
Telecopier: (415) 230-0960

and

c/o AIG Global Real Estate Investment Corp.  
32 Old Slip, 28<sup>th</sup> Floor  
New York, New York 10005  
Attention: General Counsel  
Telephone: (646) 857-2311  
Telecopier: (646) 857-2310

78546

and

DLA Piper LLP (US)  
550 South Hope Street, Suite 2300  
Los Angeles, California 90071  
Attention: Jackie Park, Esq.  
Telephone: (213) 330-7743  
Telecopier: (213) 330-7543

b. Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 830-0926

c. Premises: Approximately 55,583 leasable square feet  
comprised of the following (collectively,  
"Premises"):

**Building A9 East:** Ground Floor, as shown  
on Exhibit A attached hereto; and

**Building A9 West:** 1st Floor and 2nd and 3rd  
Floors, including bridge as shown on  
Exhibit A attached hereto.

d. Complex: An office building project located at 1000  
South Fremont Avenue, Alhambra, California,  
as shown on the site plan attached as Exhibit  
A-1 and made a part hereof. The Complex is  
currently assessed by the County Assessor as  
APN 5342-001-021, 5342-001-024 and 5342-  
001-025.

- e. Building: Buildings A9 East and A9 West as depicted on Exhibit A-1 attached hereto. The Building is part of the Complex located at 1000 South Fremont Avenue depicted on the site plan attached hereto as Exhibit A-1.
- f. Term: Eight years commencing upon the Commencement Date (as defined in Section 1.1(g)) and terminating at midnight on the day before the Eighth anniversary of the Commencement Date (the "**Termination Date**"), subject to earlier termination by Tenant as provided herein. The phrase "**Term of this Lease**" or "**the Term hereof**" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Option Term for which an option has been validly exercised (pursuant to Section 4(c)).
- g. Commencement Date: See Section 4(a).
- h. Irrevocable Offer Expiration Date: November 1, 2016
- i. Monthly Rent: \$137,430.90 per month, which is comprised of the following:
- Base Rent:** \$127,840.90 per month (which is based upon a rental rate of \$2.30 per leasable square foot adjustable only as provided in Section 5 hereof); and
- Parking Rent:** \$9,590.00 per month (which is based upon a rental rate of \$35.00 per unreserved and reserved parking space per month for the 212 unreserved parking spaces and the 10 reserved parking spaces and a rental rate of \$65.00 per the 28 Supplemental Reserved Parking Spaces as hereinafter defined in Section 20). These rates shall be increased to \$65.00 per unreserved and reserved parking space per month at the beginning of the 48th month of the Term.



The number of unreserved and reserved parking spaces may be increased as needed by Tenant, subject to availability, on a month-to-month basis at the then applicable rental rate for unreserved and reserved parking spaces as more particularly set forth in Section 20 of the Lease.

- j. Early Termination Date: The first day of the 85th month of the Lease Term.
- k. Leasable Square Feet in the Premises: 55,583
- l. Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- m. Initial Departmental Use: Parks and Recreation and administrative offices consistent with the Complex.
- n. Parking Spaces: 212 unreserved parking spaces, 10 reserved spaces and 28 supplemental spaces as set forth in Section 20 hereof, for a total of 250 parking spaces.
- o. Normal Working Hours: 7:00 a.m. to 6:00 p.m., Monday through Friday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California. (Please see Section 11 re: after-hours services and utilities.)
- p. Asbestos Report: A report dated November, 1999 prepared by Gail/Jordan Associates, a licensed California Asbestos Contractor.

**1.2 Exhibits to Lease:**

Exhibit A - Floor Plan  
Exhibit A-1 - Site Plan (Complex and Building)  
Exhibit B - Cleaning Schedule  
Exhibit C - Tenant Estoppel Certificate  
Exhibit D - Subordination, Non-disturbance and Attornment Agreement

Exhibit E - Nondisturbance Agreement  
Exhibit F - Request for Notice  
Exhibit G - Community Business Enterprises  
Exhibit H – Landlord’s Work Letter  
(including, Addendum A: Base Building  
Improvements, Addendum B: Tenant  
Improvements and Addendum C: Tenant’s  
Space Plans)  
Exhibit I – Right of First Offer Agreement

2. **PREMISES.**

Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto, which Premises is located in the Building described and depicted in Section 1 and Exhibit A-1 attached hereto. The Building is part of the Complex located at 1000 South Fremont Avenue depicted on the site plan attached hereto as Exhibit A-1.

3. **COMMON AREAS.**

Tenant may use the following areas in common with Landlord and other tenants of the Building (“**Building Common Areas**”) and the Complex (“**Complex Common Areas**”) (Building Common Areas and Complex Common Areas are collectively, “**Common Areas**”): the entrances, lobbies and other public areas of the Building and the Complex, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building and the Complex. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. **COMMENCEMENT AND EXPIRATION DATES.**

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The term “**Commencement Date**” as used in this Lease shall mean the date upon which the Tenant Improvements are Substantially Complete and Tenant has inspected the Premises (except minor punchlist items which Landlord shall thereafter promptly complete). The term “**Substantial Completion**” as used in this Lease shall mean compliance with all of the following:

(i) The shell and core of the Building are complete and in compliance with all applicable laws and codes (subject to grandfathered rights and variances), and all of the building systems are operational to the extent necessary to service the Premises;

(ii) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with the Landlord's Work Letter, specifically including the installation of modular furniture systems (pursuant to the Modular Specifications as defined in the Landlord's Work Letter), if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises;

(iii) Landlord has obtained a permit card signed off by all the applicable governmental entities for the Tenant Improvements; and

(iv) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease.

For purposes of determining the Substantial Completion by Landlord of the installment of the modular furniture systems in the Premises as set forth in subsection (ii) above, reference to "modular furniture systems" shall be limited to those specified pieces of modular furniture which include therein electrical components including low wattage wiring ("**Electrical Modular Furniture**") and shall specifically exclude therein other pieces of modular furniture that do not include electrical components. Furthermore, and notwithstanding anything to the contrary contained in this Lease and/or the Landlord's Work Letter, any delay by the Vendor (as defined in the Landlord's Work Letter) in delivering the Electrical Modular Furniture to Landlord beyond the delivery date of the Electrical Modular Furniture set forth in the Furniture Contract (as defined in the Landlord's Work Letter) by and between Landlord and the Vendor ("**Furniture Vendor Delay**") shall not serve to delay the Substantial Completion of the Tenant Improvements (i.e., the Substantial Completion of the Tenant Improvements and the occurrence of the Commencement Date shall be deemed to have occurred notwithstanding Landlord's failure to install the Electrical Modular Furniture due to Furniture Vendor Delay).

(b) Early Termination. Tenant shall have a one-time right to terminate this Lease in its entirety effective as of the Early Termination Date, as defined in Section 1, by giving Landlord not less than 365 days' prior written notice (i.e., no later than the last day of the 72nd month of the Lease Term) executed by the Chief Executive Officer of Tenant ("**Termination Notice**"). Within thirty (30) days of delivery by Tenant to Landlord of the Termination Notice, Tenant shall reimburse Landlord for the unamortized Tenant Improvement Allowance and Additional Tenant Improvement Allowance (as such terms are hereinafter defined in Section 23) and brokerage commissions paid by Landlord to the brokers set forth in Section 29(c) of this Lease (collectively, "**Termination Fee**"), calculated at an interest rate of 7.5% per annum. Subject to the terms hereof, if Tenant properly exercises such option to terminate this Lease, such termination shall be effective as of the Early Termination Date. If Tenant fails to exercise its rights under this Section 4(b) strictly in accordance with the terms and conditions set forth herein (including without limitation, failure to pay the Termination Fee as set forth herein), such right shall be null and void and shall be of no further force or effect.

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all

provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Basic Rent for such early occupancy period.

(d) Option to Extend. Provided that no material Tenant Default (as hereinafter defined in Section 13) has occurred and is continuing under the Lease at the time an option is exercised, Tenant shall have two (2) options to renew this Lease for an additional period of five (5) ("**Option Term**") years each under the same terms and conditions except that the Base Rent shall be adjusted by negotiation not to exceed one hundred percent (100%) of the fair market value which Landlord could derive from the demised Premises if they were made available on the open market ("**Fair Rental Rate**"). The Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly improved office space within the Complex for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the applicable Option Term ("**Comparable Transactions**"), or if there are not a sufficient number of Comparable Transactions in the Complex, the Fair Rental Rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a three (3) mile radius of the demised Premises for transactions consummated within the last twelve (12) months immediately preceding the Commencement Date of the applicable Option Term. In determining the Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit-worthiness of Tenant, the quality of the project, the nature of the tenant's improvements and any other lease terms having an impact on rental values. The fair rental survey shall be conducted by the Landlord's appraiser and the Tenant's appraiser, each of which shall be certified and licensed by the State of California. Landlord shall bear the cost of Landlord's appraiser and Tenant shall bear the cost of Tenant's appraiser.

If Landlord and Tenant cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the Lease Term or the first Option Term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be required to have the same certification and licensing as the first two appraisers. The average of the two (2) appraisals nearest in value shall be the Fair Rental Rate. The cost of the third appraiser shall be borne equally by Landlord and Tenant.

Tenant, by Chief Executive Office letter, shall notify Landlord in writing not less than twelve (12) months prior to the expiration of the Lease Term or the first Option Term, of Tenant's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

Notwithstanding the foregoing and if and only if (a) Tenant is leasing the entirety of the Premises on the date Landlord shall receive Tenant's notice of Tenant's intention to exercise an option to renew this Lease and on the date which shall be the first day of the applicable Option Term, and (b) Tenant is otherwise in full compliance with the requirements of this Section 4(c), the Base Rent for the Premises during the applicable Option Term shall be ninety-five percent (95%) of the Fair Rental Rate.

5. **RENT.**

(a) **Base Rent.** Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "**County**") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month ("**Base Rent**").

The Base Rent for the first full month of the Lease Term shall be paid within thirty (30) days of the Commencement Date.

If any rental payment date (including the Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

(b) **Rent Adjustment.** At the beginning of the 13th month of the Lease Term (the "**Adjustment Date**") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) **CPI Formula.** The "**Index**" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "**CPI Formula**" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Lease commenced (the "**Base Index**"). If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(d) **Illustration of Formula.** The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$127,840.90 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(e) **Limitations on CPI Adjustment.** In no event shall the monthly Base Rent adjustment based upon the CPI formula result in an annual increase less than two percent (2%) nor more than five percent (5%) per year of the previous month's Base Rent. In no event shall

the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

**6. USES.**

The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use, as long as such use is consistent with the character of the Complex and allowed by applicable laws. Tenant agrees that it will not use or suffer or permit any person to use the Premises or any part thereof for any purpose in violation of the laws of California or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Complex. Tenant shall comply with all recorded covenants, conditions and restrictions, and the provisions of all ground or underlying leases now or hereafter affecting the Complex.

**7. HOLDOVER.**

If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon ninety (90) days' written notice from Landlord or the Chief Executive Officer of Tenant. During the first twelve (12) months of holdover ("**1st Holdover Period**"), Tenant shall pay an amount equal to (a) the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) adjusted on the first day of holdover by applying the CPI Formula as set forth in Section 5(c) of this Lease, and (b) all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

If Tenant continues to holdover after expiration of the 1<sup>st</sup> Holdover Period, Tenant shall pay an amount equal to (a) one hundred twenty-five percent (125%) of the last monthly Base Rent payable under this Lease during the 1<sup>st</sup> Holdover Period, and (b) all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

Nothing contained in this Section 7 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

**8. COMPLIANCE WITH LAW.**

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the Term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises. Landlord's failure to

comply with such legal requirements shall constitute a Landlord Default under this Lease (subject to applicable notice and cure periods set forth in Section 14(a)).

## **9. DAMAGE OR DESTRUCTION.**

(a) Damage. In the event any portion of the Premises is damaged by fire or any other casualty rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage, and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within thirty (30) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a Landlord Default hereunder. Base Rent shall proportionally abate to the extent that the Premises are unusable by Tenant and not occupied by Tenant as a result thereof. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other casualty rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is thirty (30) days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, then upon not less than thirty (30) days' prior written notice to Landlord, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum from the Base Rent next due as a charge against the Landlord; provided, however, that if the nature of such repair or restoration is such that more than thirty (30) days is reasonably required, based on Tenant's review of the restoration bids, for completion of the same, then such thirty (30)-day period shall be extended as may be reasonably

required provided that Landlord shall have undertaken such repair or restoration within said thirty (30)-day period and shall diligently prosecute the same to completion.

## **10. REPAIRS AND MAINTENANCE.**

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials in violation of Environmental Laws (as hereinafter defined); and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report).

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building and the Premises, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable, (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building, (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting, it shall be replaced as needed but not less often than after five years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five years); and (5) signage.

(c) Tenant Obligations. Without limiting Landlord's obligations, Tenant shall, at Tenant's sole expense, keep the Premises (including all improvements, fixtures and furnishings therein) in good order, repair and condition at all times during the Lease Term, wear and tear excepted, and be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building



structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the receipt by Landlord of such notice, but in any event not later than ten (10) business days after the receipt by Landlord of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws. Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action is required under the terms of this Lease to be taken by Landlord and is not taken by Landlord within such period (unless such notice is not required as provided above), and Tenant takes such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days from receipt by Landlord of invoices and back-up documentation, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

Tenant at its sole option, acting through the CEO, may request that Landlord perform, supply and administer certain repairs, replacement tenant improvements or services that are the responsibility of Tenant under this Lease ("**Tenant Obligations**"). In the event Landlord elects not to accept such request, the Tenant Obligations shall remain the obligations of Tenant. In the event Landlord elects to accept such request, then Landlord shall undertake the Tenant Obligations requested by Tenant, in which event (a) Tenant shall reimburse Landlord for the costs incurred by Landlord with respect to the Tenant Obligations, plus an administration fee charged by Landlord not to exceed three and one-half percent (3.5%), (b) Landlord shall have no liability to Tenant for undertaking such Tenant Obligations, except as shall be due to the negligence or willful misconduct of Landlord, and (c) after undertaking the Tenant Obligations, Landlord shall have the subsequent right to shift the Tenant Obligations back to Tenant, in which event Landlord shall no longer have any obligations with respect to the Tenant Obligations.

## **11. SERVICES AND UTILITIES.**

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish heating, ventilation and air conditioning ("**HVAC**"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings.

In the event Tenant requires HVAC on Saturdays or beyond Normal Working Hours, Tenant shall give Landlord prior notice thereof (pursuant to procedures as shall have been established by Landlord from time to time), and Landlord shall supply such HVAC at such hourly cost to Tenant as Landlord shall from time to time establish to reimburse Landlord for its costs incurred to provide such HVAC, which cost is \$83 - \$114 per hour as of the date hereof.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises ("**Building Electricity**"), for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises. Without limiting the foregoing, Tenant may at its sole cost and expense (subject to the right of Tenant to use the Tenant Improvement Allowance) elect to install electrical gear and equipment to achieve an electric current connected load exceeding the Building Electricity. Tenant hereby acknowledges and agrees that any electrical gear and equipment installed by Tenant shall not exceed the capacity of the feeders, risers or electrical installations of the Building. Tenant shall not install in the Premises office equipment, lighting fixtures or similar items which will generate above average heat, noise or vibration at the Premises or which will adversely affect the temperature maintained by the HVAC system. If in any calendar month, Tenant is using electricity in excess of seven watts per rentable square feet in the Premises multiplied by the number of Normal Working Hours in any month ("**Maximum Monthly Electrical Consumption**"), Tenant shall pay to Landlord within sixty (60) days of receipt of an invoice from Landlord for the actual cost of its electrical usage in excess of the Maximum Monthly Electrical Consumption (MMEC). The calculation of Tenant's electrical usage and the MMEC shall not include electrical consumption associated with the Base Building HVAC system. By way of example, if total electrical consumption for the Premises is 10 watts and Base Building HVAC account for 2 watts then Tenant is responsible for 8 watts and would make a payment for the overage of 1 watt (8 watts - 7 watts).

Tenant shall have the right to audit these costs (which audit shall include review of only the following: Landlord's method of submetering electricity, Landlord's calculation of electricity used by Tenant in excess of the MMEC, and electricity bills) for a period of twelve (12) months from the receipt by Tenant of each invoice therefor from Landlord. An audit conducted by Tenant herein shall be done at Tenant's sole cost and expense by Tenant's internal electrical engineer or a third party electrical engineer selected by Tenant and approved by Landlord (which approval shall not be unreasonably withheld). In the event an audit conducted by Tenant shows that Tenant has been overcharged for its electrical usage in excess of the MMEC, Tenant shall provide Landlord with a copy of such audit and Landlord shall, within sixty (60) days of receipt of the copy of such audit, credit Tenant the amount of any such overpayment made by Tenant. In the event that Landlord disagrees with the result of Tenant's audit, Landlord shall have the right to hire a third party electrical engineer (which third party electrical engineer shall be approved by Tenant, which approval not to be unreasonably withheld and shall be granted or withheld for reasonable reasons within five (5) days of receipt by Tenant of the name of such electrical engineer) and the decision of such third party electrical engineer shall be binding on Landlord and Tenant. There shall be a reconciliation of the cost of electricity

based on the finding of such third party electrical engineer, and the cost of such electrical engineer shall be shared equally by Landlord and Tenant.

(c) Elevators. Landlord shall furnish passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit B attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

(g) Utility Charges. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment (when and if imposed by any Governmental authority), water, sprinkler standby charges, electricity, gas, power and other utility charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measured by separate meters.

(h) Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution does not exceed five (5) business days or is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort to do so, by any change in the electric service provider, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Section 11.

In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days (the "**Eligibility Period**") as a result of (a) any repair, maintenance or alteration performed by Landlord after the Commencement Date and required or permitted by the Lease, which substantially interferes with

Tenant's use of the Premises, or (b) any failure by Landlord to provide Tenant with services or access to the Premises, then Tenant's Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. In the event Tenant does not use the Premises or a portion thereof for longer than five (5) business days as set forth herein, then Landlord shall be in default under this Lease, in which event Tenant shall have all the remedies and rights set forth in Section 14(a) of the Lease following the applicable notices to Landlord and expiration of the applicable cure periods.

## **12. LANDLORD ACCESS.**

Landlord reserves the right at all reasonable times and upon reasonable advance notice, of 24 hours, to the Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground or underlying lessors; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building. Notwithstanding anything to the contrary contained in this Section 12, Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In a safety emergency that creates an immediate and imminent danger to the Premises or persons therein, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

## **13. TENANT DEFAULT.**

(a) Default. The occurrence of any one or more of the following events (a "**Tenant Default**") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of five (5) days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period

of thirty (30) days after written notice from Landlord specifying in detail the nature of the Tenant default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 8, 9(d), 10(c) 19 and 20(b), Landlord shall be in default ("**Landlord Default**") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within twenty (20) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such twenty (20)-day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies as may be provided by law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages or loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable determination of Tenant, create or allow to persist an emergency condition, or materially and adversely affect the operation of Tenant's business in the Premises. For purposes of this Section 14(c), an emergency condition or a condition that would materially or adversely

affect the operation of Tenant's business in the Premises shall be limited to events and/or conditions that could cause personal injury or material property damage.

#### **15. ASSIGNMENT AND SUBLETTING.**

Tenant shall not, without the prior written consent of Landlord (which consent shall not be unreasonably withheld), assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any person other than Tenant (all of the foregoing, a "**Transfer**"). Any Transfer made without Landlord's prior written consent shall constitute a default by Tenant under this Lease. Whether or not Landlord grant such consent, Tenant shall pay review and processing fees that are actually incurred by Landlord, (up to \$2,000 for each Transfer), within thirty (30) days after written request by Landlord.

If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer, and (iv) no Transfer, whether or without Landlord's consent, shall relieve Tenant from liability under this Lease.

#### **16. ALTERATIONS AND ADDITIONS.**

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "**Alterations**") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord. In any event, a contractor approved by Landlord shall perform all mechanical, electrical, plumbing, structural, and heating, ventilation and air conditioning work, and such work shall be performed at Tenant's cost. Tenant shall not be required to obtain Landlord's approval of the contractor when the work will be performed by Los Angeles County Internal Services Department staff. Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the city in which the Building is located, in conformance with Landlord's construction rules and regulations.

Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Upon completion of any major Alterations involving a cost of at least \$50,000 or more, excluding telecommunication installations or alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to Landlord a reproducible copy of the "as built" drawings of the Alterations.

In connection with any Tenant Alterations, Tenant shall pay to Landlord a percentage of the cost of such work (such percentage to be established on a uniform basis for the Complex) sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such Alterations.

(c) End of Term. Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given upon any earlier termination of this Lease, require Tenant at Tenant's expense to remove any Alterations from the Premises and to repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations, Landlord may do so and may charge the cost thereof to Tenant.

## 17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "**Condemnation**" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "**Condemnor**" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "**Date of Taking**").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "**Determination Date**"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later

than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within ninety (90) days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "**Award**" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

## 18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Tenant or its agents, contractors or employees ("**Tenant Parties**"), or arising from any default of this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit or supersede any of Tenant's rights or immunities under California workers' compensation laws and regulations.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Complex, the Building or the Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors ("**Landlord Parties**"), or arising from breach or default under this Lease by Landlord or Landlord Parties. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.



The provisions of this Section 18 shall survive the expiration or earlier termination of this Lease with respect to any claims occurring prior to such expiration or termination.

**19. INSURANCE.**

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Landlord shall carry insurance on any furniture and furnishings which will become the property of Tenant at the expiration of the Term and on all modular furniture installed in the Premises. Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Landlord shall be written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the leased premises and must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance

policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

## **20. PARKING.**

(a) Tenant's Rights. Tenant shall rent the number of exclusive unreserved and reserved parking stalls set forth in Section 1 and shall rent parking passes at the charges set forth in Section 1 of this Lease. The 10 reserved parking spaces shall be located as follows: 4 of the reserved parking spaces shall be located in the surface parking area adjacent to the east side of Building A-11 (but specifically excluding the North and Central Parking Lots), and 6 of the reserved parking spaces shall be located in the B-7 parking structure (all as such lots and structures shall be more particularly set forth on the Site Plan attached hereto as Exhibit A-1). In addition, Tenant may rent from Landlord, subject to availability, additional unreserved and reserved parking passes ("**Additional Parking Passes**") on a month-to-month basis at the prevailing rate charged by Landlord for unreserved and reserved parking passes at the Complex, which Additional Parking Passes shall be subject to the right of Landlord upon thirty (30) days prior notice to no longer provide Tenant with any or all of such Additional Parking Passes. No unattended tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

As of the date hereof and subject to the terms and conditions of this Section 20, Landlord shall provide Tenant with twenty-eight (28) additional reserved parking spaces ("**Supplemental Reserved Parking Spaces**") at the charges set forth in Section 1 of this Lease, which Supplemental Reserved Parking Spaces shall be located in the B7 Parking Structure (as such parking structure is set forth on the Site Plan attached hereto as Exhibit A-1). Such Supplemental Reserved Parking Spaces shall be on a month-to-month basis terminable by either party upon thirty (30) days prior written notice to the other party.

Landlord specifically reserves the right to change the size, configuration, design, layout, location and all other aspects of the parking facilities and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease (except as provided in Section 11(i)), from time to time, close-off or restrict access to the parking facilities, or relocate Tenant's parking passes to other parking structures and/or surface parking areas within the Complex, for purposes of permitting or facilitating any such construction, alteration or improvements with respect to the parking facilities or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Complex. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord and such owner. Notwithstanding the foregoing, Landlord shall provide alternative parking arrangements within 600 feet of the premises or within the office campus complex in the event Tenant parking rights are interrupted. Tenant shall be responsible for any parking tax or other charges imposed by governmental authorities in connection with the use of such parking, which taxes and/or charges

shall be paid directly by Tenant or the parking users, or, if directly imposed against Landlord, Tenant shall reimburse Landlord for all such taxes and/or charges concurrent with its payment of the parking rates described herein.

Tenant may purchase parking validations from Landlord at the prevailing rate charged by Landlord for parking validations at the Complex as needed and paid by Tenant to Landlord as additional rent.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$65 per parking stall per month for the parking spaces not provided

## **21. ENVIRONMENTAL MATTERS.**

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "**Hazardous Materials**" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "**Environmental Laws**" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

Notwithstanding the foregoing, in no event shall Landlord be liable for consequential damages and/or punitive damages in connection with this Section 21(b).

## **22. ESTOPPEL CERTIFICATES**

Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C attached hereto and incorporated herein by this reference but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

## **23. TENANT IMPROVEMENTS**

Landlord shall provide Tenant with (a) a tenant improvement allowance in an amount not to exceed Three Million One Hundred Twelve Thousand Six Hundred Forty-Eight Dollars (\$3,112,648.00) (calculated at \$56.00 per leasable square feet of the Premises) ("**Tenant Improvement Allowance**"), for the cost of the design and construction of the Tenant Improvements per the terms and conditions of the Landlord's Work Letter executed concurrently with this Lease and made a part hereof by this reference, and (b) an additional allowance not to exceed Two Million Five Hundred Twenty-Nine Thousand Twenty-Six and 50/100 Dollars (\$2,529,026.50) (calculated at \$45.50 per leasable square feet of the Premises) ("**Additional Tenant Improvement Allowance**") for the cost of the design and construction of the Tenant Improvements per the terms and conditions of the Landlord's Work Letter.

The Additional Tenant Improvement Allowance used to pay for all or a portion of the cost of the Tenant Improvements per the terms and conditions of the Landlord's Work Letter shall, at Tenants election pursuant to written notice by Tenant to Landlord on or prior to the Commencement Date, be paid to Landlord (i) in a lump sum when Tenant Improvements are Substantially Complete, or (ii) as additional rent calculated in the manner so as to amortize such amount over the first seven (7) years of the Lease Term at the rate of seven and one-half percent (7.5%) per annum to be paid as equal amortized monthly payments over the initial eighty-four

(84) month Term of the Lease. Tenant may at any time during the Term pre-pay Landlord in a lump sum for all or any portion of the then remaining unpaid Additional Tenant Improvement Allowance.

Notwithstanding the foregoing to the contrary, any portion of the Additional Tenant Improvement Allowance that shall be paid by Tenant to Landlord prior to the second (2<sup>nd</sup>) anniversary of the Commencement Date shall be interest free, and the remaining portion of the Additional Tenant Improvement Allowance paid by Tenant to Landlord after the second (2<sup>nd</sup>) anniversary of the Commencement Date shall be amortized at the rate of seven and one-half percent (7.5%) as set forth in (ii) above.

#### **24. LIENS.**

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Complex, the Building and the Premises free from any liens which would impair the interest of Tenant hereunder.

#### **25. SUBORDINATION AND MORTGAGES.**

(a) Subordination and Non-Disturbance. Tenant accepts this Lease subject and subordinate to the lien of any mortgages or deeds of trust now or hereafter in force against the Complex and/or Building. In consideration of, and as a condition precedent to, Tenant's agreement to permit its interest pursuant to this Lease to be subordinated to any particular future lien of any mortgages or deeds of trust hereafter enforced against the Complex and/or Building, Landlord shall deliver to Tenant a written agreement in the form of a Subordination, Nondisturbance and Attornment Agreement, attached hereto as Exhibit D and incorporated herein by this reference; provided, however, that no such subordination shall affect any option to extend the Term of this Lease or right of first offer to lease additional premises which may be included herein. Tenant covenants and agrees in the event of any proceedings are brought for the foreclosure of any such mortgage or deed of trust, at the request of the purchaser upon any such foreclosure sale, to attorn to such purchaser, and to recognize such purchaser as the Landlord under this Lease.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Complex and/or Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default

served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional thirty (30) days within which to cure such default.

**26. SURRENDER OF POSSESSION.**

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant shall remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

**27. SIGNAGE.**

Tenant shall be permitted to install at the Premises reasonably appropriate signs that (a) conform with any and all applicable laws and ordinances, (b) are subject to Landlord's prior approval, and (c) conform with Landlord's signage program for the Complex.

**28. QUIET ENJOYMENT.**

So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

**29. GENERAL.**

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Except for CB Richard Ellis, Inc., Landlord and Tenant each represent and warrant to each other that it has not engaged any other broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1, or to such other address as Tenant or Landlord may from time to time designate in a notice to the other party. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefor, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit G attached hereto and incorporated herein by this reference delivered to Landlord concurrently herewith.

(l) Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns.

(m) Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall

excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

(n) Waiver of Jury Trial. If either party commences litigation against the other for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury. In the event of any dispute regarding the terms, conditions, rights or obligations of the parties hereto, such dispute may, at the request of either party, be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280, et. seq., as they now exist or may later be amended. The Chief Executive Officer or County Counsel shall determine the designee who shall act on behalf of Tenant in the Arbitration Proceedings. The cost of the Arbitration Proceedings shall be shared equally between Landlord and Tenant.

(o) Disclosure. Tenant hereby waives any and all rights under and benefits of California Civil Code Section 1938 and acknowledges that neither the Complex nor the Premises has undergone inspection by a Certified Access Specialist (CAsP) (defined in California Civil Code Section 55.52).

### 30. AUTHORITY.

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "**Chief Executive Officer**") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.



### 31. ACKNOWLEDGMENT BY LANDLORD.

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "**Security Agreement.**" Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing without the prior written consent of the County. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent, except that Landlord shall have the right, without County's prior written consent, to make disclosures of the terms of this Lease with its mortgagees, prospective mortgagees, purchaser and partners, and attorney, accountants, and other advisors of such party (collectively, "**Representatives**"), provided that, in each case, all Representatives agree to treat this Lease and all related information as confidential. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

### **32. IRREVOCABLE OFFER.**

In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning and legal review in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

**33. RIGHT OF FIRST OFFER TO PURCHASE.**

Tenant shall have a right to purchase the Complex per the terms and conditions of the Right of First Offer Agreement executed concurrently with this Lease and made a part hereof by this reference and attached hereto as Exhibit I.

**34. SHUTTLE.**

Landlord shall, at Landlord's expense, provide shuttle service ("**Shuttle Service**") between the Metro Gold Line station located at Mission Street in South Pasadena, California ("**Metro Station**") and the Complex for use by Tenant's employees at the Complex at a rate that will be comparable to the rate for public transportation then being charged in the surrounding area. The Shuttle Service shall be provided by Landlord until the earlier of (a) the date either the City of Alhambra or the County of Los Angeles establishes a commuter connection between the Metro Station and a location in the vicinity of the Complex, or (b) the expiration of the first two (2) years of the Term of this Lease.

[Signatures on Next Page]

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

**"LANDLORD"**

**THE ALHAMBRA OFFICE COMMUNITY, LLC,**  
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized Project, LLC,**  
a Delaware limited liability company, its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**  
a Delaware limited liability company, its Sole Member

By: **Ratkovich 1000, LLC,**  
a California limited liability company,  
its Administrative Member

By: **Ratkovich Investment Company, LLC,**  
a California limited liability company,  
its Managing Member

By: Wayne Ratkovich  
Print Name: Wayne Ratkovich  
Title: Managing Member

78546

**"TENANT"**

**COUNTY OF LOS ANGELES,**  
a body politic and corporate

By: Hilda L. Solis

Name: HILDA L. SOLIS  
Hilda L. Solis  
Chair, Board of Supervisors

**ATTEST:**

Lori Glasgow  
Executive Officer-Clerk  
of the Board of Supervisors

By: Rachelle Smitheman

Deputy

**APPROVED AS TO FORM:**

Mary C. Wickham  
County Counsel

By: [Signature]

Deputy



I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

LORI GLASGOW  
Executive Officer  
Clerk of the Board of Supervisors

By: Rachelle Smitheman

Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

# 1 2

NOV 15 2016

Lori Glasgow  
LORI GLASGOW  
EXECUTIVE OFFICER

78546

**EXHIBIT A**  
**FLOOR PLANS OF PREMISES**

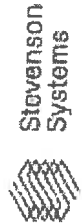


**9.26.16 Building A9**  
 Floor 1  
 1000 S. Frederick Ave.  
 Albany, GA 31703  
 311403-000110

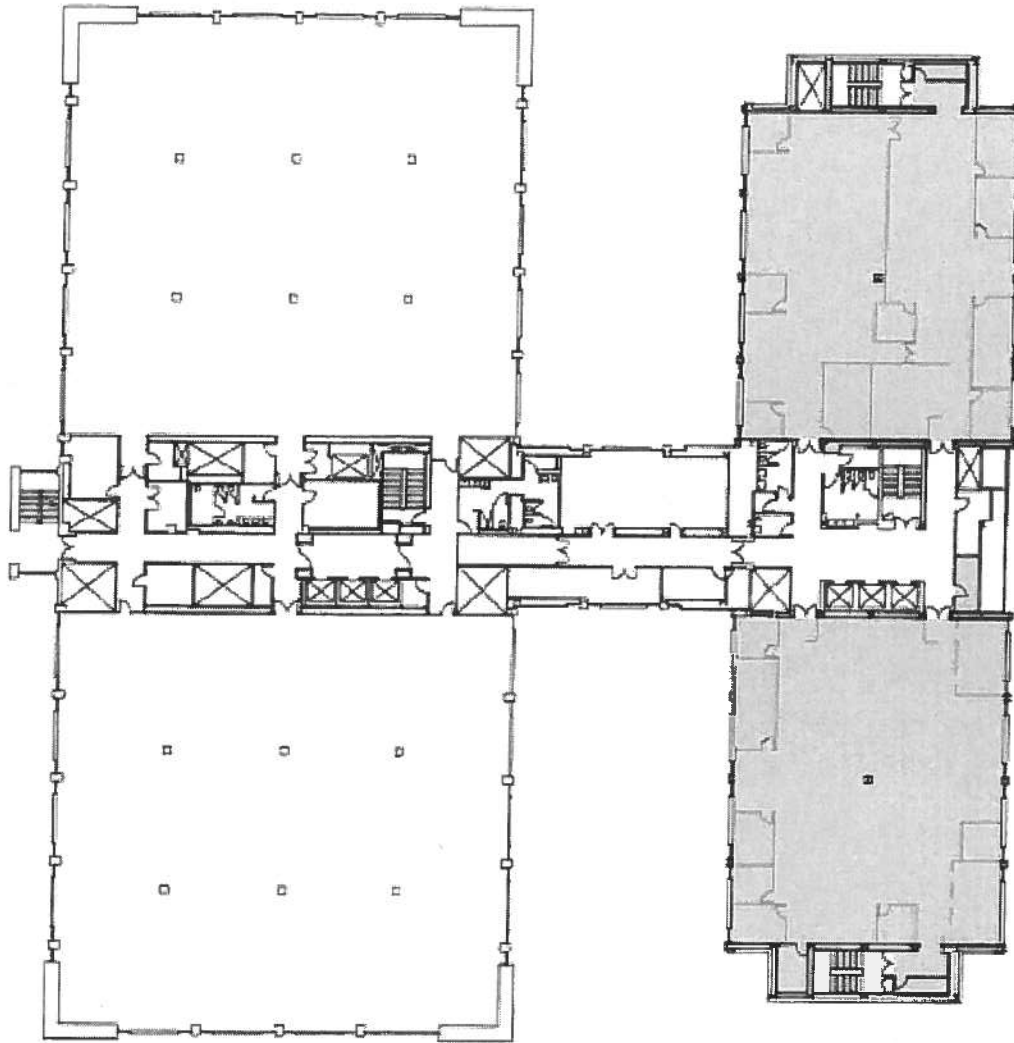
**CLA-Parks & Recreation**

Suite W9100 Final Tenant

ID	Suite USF	Corr. Ext	Total USF	Target RSF	Current RSF	LED
						11,034 sq



**Stevenson  
Systems**



9.26.16 Building A9

1000 E. Fremont Ave.  
Alhambra, CA 91803

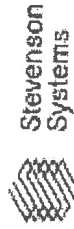
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© Stevenson Systems, Inc. 12/18/16

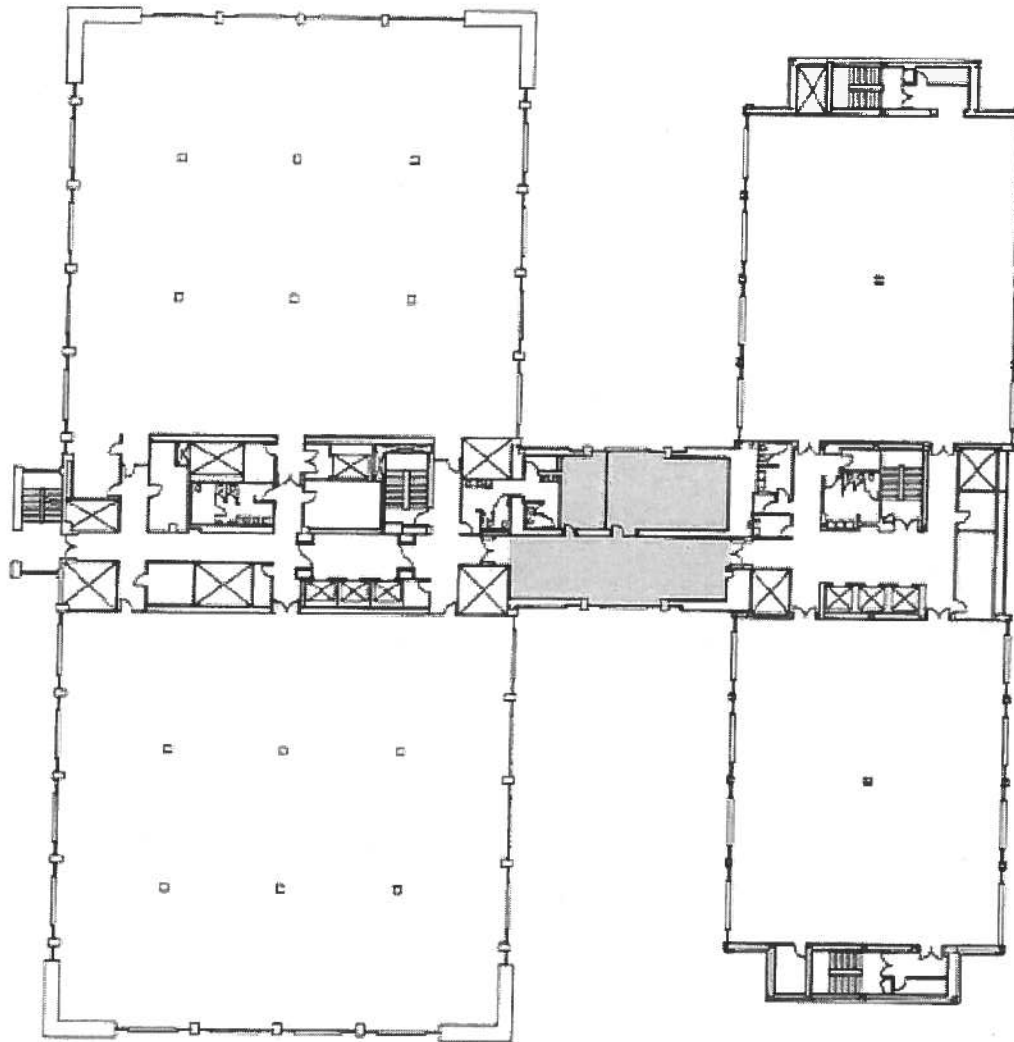
CLA-Parks & Recreation

Suite ND200 - Final Tenant

ID	Suite USF	Corr. Ext	Total USF	Target RSF	Current RSF	LEO
						12,118.00



Stevenson  
Systems



9.26.16 Building A9  
6300 S. Fremont Ave.  
Pasadena, CA 91103

# CLA-Parks & Recreation

Suite 9300B - Final Tenant

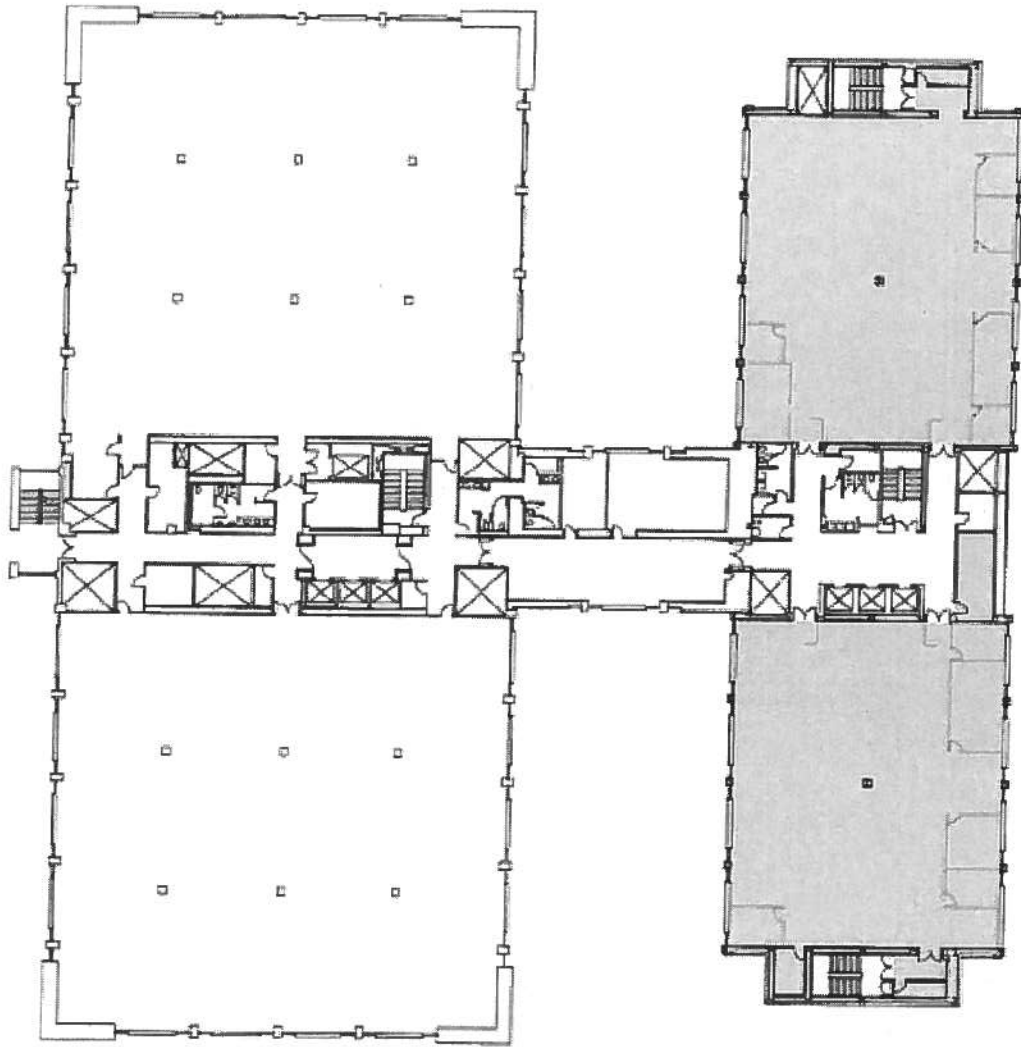
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					2,439.76	



Stevenson  
Systems

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9.26.16 Building A9

3000 E. Front Street Ave.  
Athens, GA 30603

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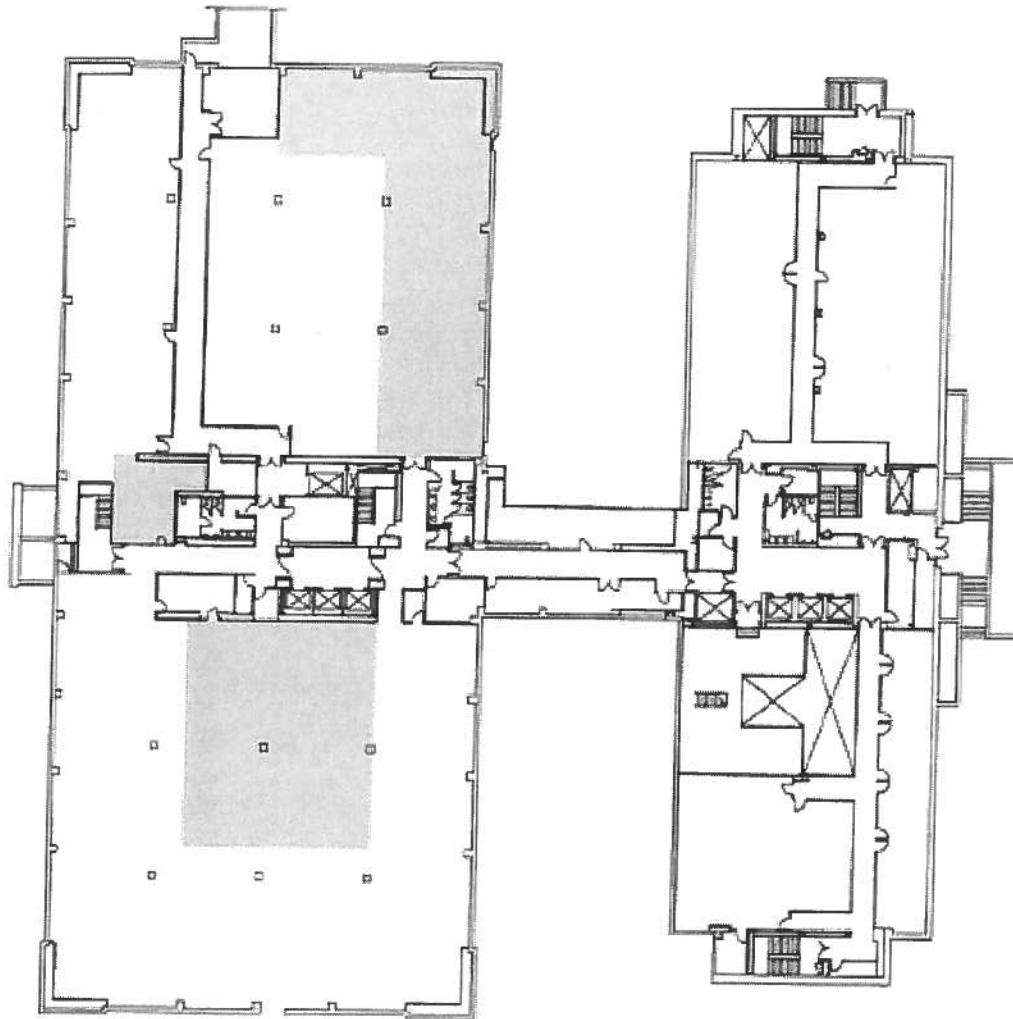
CLIA - Parks & Recreation

Scale: W/300 - Final Tenant

ID	Suite / RSF	Corr. Ext	Total RSF	Target RSF	Current RSF	LED
				17,800 sq ft		



Stevenson  
Systems



9.26.16 **Building A9**  
1000 E. Fremont Ave.  
Alhambra, CA 91803

GR

18.5 WESTINGHOUSE 13316/1003

# CLA-Parks & Recreation

Suite --- Preliminary Tenant

ID	Suite	USF	Corr	Ext	Total USF	Target RSF	Current RSF	LED
----	-------	-----	------	-----	-----------	------------	-------------	-----

10,234.25

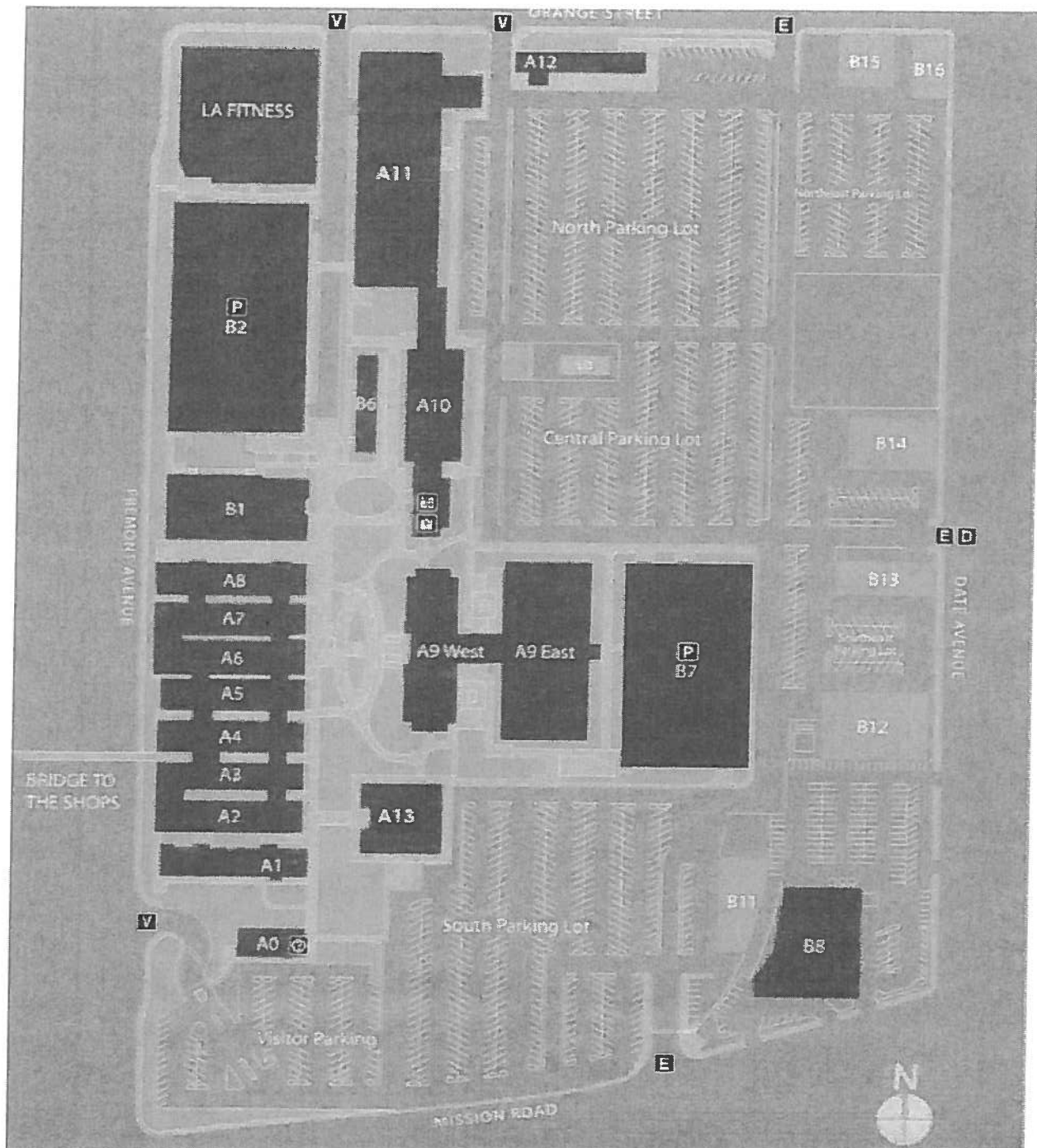
Stevenson  
Systems



**EXHIBIT A-1**

**SITE PLAN**

**(COMPLEX AND BUILDINGS)**



## EXHIBIT B

### CLEANING AND MAINTENANCE SCHEDULE

#### 1. DAILY (MONDAY THROUGH FRIDAY)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Subject to the mutual agreement by Landlord and Tenant, toilet supplies replenished, with either hand dryers installed as an energy efficiency alternative to hand towels or rolled hand towels.
- I. Bulb and tube replacements, as required.
- J. Graffiti in common areas expunged as needed within two (2) working days after notice.
- K. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
- L. Floors washed as needed.
- M. Day porter services as needed.

#### 2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

#### 3. MONTHLY

- A. Floors washed and waxed in uncarpeted office area.
- B. High-reach areas, door frames and tops of partitions dusted.
- C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
- D. Picture moldings and frames dusted.
- E. Wall vents and ceiling vents vacuumed.
- F. Carpet professionally spot cleaned as required to remove stains.

#### 4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. HVAC units serviced for preventative maintenance purposes, all filters changed.

#### 5. SEMI-ANNUALLY

- A. All painted wall and door surfaces washed and stains removed.
- B. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- B. Touch-up paint all interior painted surfaces in a color and finish to match existing.
- C. HVAC chiller water checked for bacteria, water conditioned as necessary.
- D. Draperies or mini-blinds cleaned as required.
- E. Windows washed as required inside and outside.

7. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance, as determined in Landlord's sole discretion. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition, as determined in Landlord's sole discretion.
- C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) elevator lobby with a frequency of quarterly [four (4) times per year]; and (ii) within the Premises once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

**EXHIBIT C**

**TENANT ESTOPPEL CERTIFICATE**

To: \_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Re:   Date of Certificate: \_\_\_\_\_  
      Lease Dated: \_\_\_\_\_  
      Current Landlord: \_\_\_\_\_  
      Located at: \_\_\_\_\_  
      Premises: \_\_\_\_\_  
      Commencement Date of Term: \_\_\_\_\_  
      Expiration Date: \_\_\_\_\_  
      Current Rent: \_\_\_\_\_

County of Los Angeles ("**Tenant**") hereby certifies that as of the date hereof:

1.     Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "**Lease**"). The Lease covers the premises described above (the "**Premises**") in the building (the "**Building**") at the address set forth above.

2.     (a)    A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

      (a)    The current Rent is set forth above.

      (b)    The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

      (c)    Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.

      (d)    Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

      (e)    Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as expressly set forth in the Lease.

3.     (a)    The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force

and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(a) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(b) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to Tenant Improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

**COUNTY OF LOS ANGELES**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
County Counsel

By: \_\_\_\_\_  
Deputy

**EXHIBIT D**

**SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT**

**AND WHEN RECORDED MAIL TO:** )  
 )  
 )  
**County of Los Angeles** )  
**CHIEF EXECUTIVE OFFICE** )  
**Real Estate Division** )  
**222 South Hill Street, 3<sup>rd</sup> Floor** )  
**Los Angeles, California 90012** )

Space above for Recorder's Use

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**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

**NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

This Subordination, Non-Disturbance and Attornment Agreement ("**Agreement**") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("**Tenant**"), \_\_\_\_\_ ("**Borrower**") and \_\_\_\_\_, ("**Lender**").

**Factual Background**

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "**Property**" herein means that real property together with all improvements (the "**Improvements**") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "**Deed of Trust**").

C. Tenant and Borrower (as "**Landlord**") entered into a lease dated \_\_\_\_\_ (the "**Lease**") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "**Premises**").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.



## Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in Section 3 hereof.
2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "**Transfer of the Property**" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "**Purchaser**", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.
3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted in the Lease.
4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.
5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.
6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective

upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: \_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

APPROVED AS TO FORM:

TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

\_\_\_\_\_  
County Counsel

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Director of Real Estate

BORROWER:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender]*,

By: \_\_\_\_\_

## NONDISTURBANCE AND ATTORNMENT AGREEMENT

**Space above for Recorder's Use**

## E-1

including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

2. Nondisturbance. The Transfer of the Property or enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted pursuant to the Lease.

3. Attornment. Provided that Lender complies with Section 2 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

4. Lender Not Obligated. Provided that Lender complies with Section 2 above, Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

5. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: \_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

6. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State. This Agreement is the entire agreement between the Lender and Tenant and may only be modified by a written amendment executed by Lender and Tenant.

APPROVED AS TO FORM:

TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

\_\_\_\_\_  
County Counsel

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Director of Real Estate

BORROWER: [Insert name of Landlord]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: [Insert name of Landlord]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT F**

**REQUEST FOR NOTICE**

**RECORDING REQUESTED BY**

**AND WHEN RECORDED MAIL TO:**

County of Los Angeles  
CHIEF EXECUTIVE OFFICE  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

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**REQUEST FOR NOTICE**

**(UNDER SECTION 2924 CIVIL CODE)**

In accordance with Section 2924, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

LENDER:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME \_\_\_\_\_

Its: SIGNEE'S TITLE \_\_\_\_\_

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ personally known to me (or proved on the basis of satisfactory  
evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and  
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies),  
and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of  
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature \_\_\_\_\_  
My commission expires \_\_\_\_\_

## EXHIBIT G

### COMMUNITY BUSINESS ENTERPRISE FORM

**INSTRUCTIONS:** All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name

Address

Contact Name

Telephone No.

Total # of Employees

Business Structure\*

\*Corporation, Partnership, etc.

#### MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS
Black/African American		
Hispanic/Latin		
Asian American		
Portuguese American		
A. Indian/Alaskan		
All Others		
<b>TOTAL</b>		
Women*		

*\*Should be included in counts above and reported separately)*

#### PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		



Portuguese American

American Indian/Alaskan Native

All Others

**TOTAL**

Women\*

*\*Should be included in counts above and reported separately*

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

Is your firm currently certified as a minority owned business firm by the:

yes

No

State of California?

City of Los Angeles?

Federal Government?

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM

Initial

Initial here if applicable

SIGNED:

TITLE:

DATE:

**EXHIBIT H**

**LANDLORD'S WORK LETTER**

**LANDLORD'S WORK LETTER**

**For**

**COUNTY OF LOS ANGELES**

**CHIEF EXECUTIVE OFFICE**

**LEASE AND AGREEMENT**

**DEPARTMENT: PARKS and RECREATION, as Tenant**

**LANDLORD: The Alhambra Office Community, LLC, a Delaware limited liability  
company**

**Address: 1000 South Fremont Avenue, Alhambra, California 91803**

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## LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated November 15, 2016, executed concurrently herewith, by and between **THE ALHAMBRA OFFICE COMMUNITY, LLC**, a Delaware limited liability company, as Landlord, and **COUNTY OF LOS ANGELES**, as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. **Basic Work Letter Information.** The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- |   |   |
|---|---|
| (a) Base Tenant Improvement Allowance:  | \$3,112,648.00 (i.e., \$56.00 per rentable square foot of the Premises)   |
| (b) Additional Tenant Improvement Allowance:                                    | \$2,529,026.50 (i.e., \$45.50 per rentable square foot of the Premises)   |
| (c) Maximum Change Order Allowance:   | N/A   |
| (d) Additional Tenant Improvement Allowance and Change Order Amortization Rate: | 7.5% per annum (subject to <u>Section 6.3</u> ).  |
| (e) Basic Rent Reduction per \$1,000:   | N/A   |
| (f) Tenant's Work Letter Representative:  | Miguel Covarrubias or an assigned staff person of the Chief Executive Office-Real Estate Division   |
| (g) Landlord's Work Letter Representative:                                      | Kevin Houser.   |
| (h) Landlord's Address for Work Letter Notice:                                  | The Alhambra Office Community, LLC<br>1000 South Fremont Avenue<br>Unit 1, Building A7, Suite 7300<br>Alhambra, California 91803<br>Attention: Senior Development Manager |
| (i) Tenant's Address for Work Letter Notice:                                    | Board of Supervisors<br>Kenneth Hahn Hall of Administration<br>Room 383<br>500 West Temple Street<br>Los Angeles, California 90012  |

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

(j) Addenda:

Addendum A: Base Building Improvement  
Addendum B: Tenant Improvements  
Addendum C: Tenant's Space Plans

## **2. Construction of the Building.**

**2.1. Base Building Improvements.** Landlord has constructed and shall construct the base Building improvements as a part of the Building as described on Addendum A hereto (the "**Base Building Improvements**"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below) only to the extent such changes or additions are specifically described in Addendum B and Addendum C hereto. All soft costs, architecture and engineering costs associated with the Base Building Improvements shall be itemized and separated from all soft costs, architecture and engineering costs associated with the Tenant Improvements.

### **2.2. Additional Costs Not Tenant Improvement Costs.**

(a) In the event that the Premises as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred had the Premises been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs as defined below and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or make existing building systems, including, but not limited to, electrical service and HVAC equipment, operational shall be at Landlord's sole cost and expense. Costs of upgrades from the Base Building Improvements to the operational HVAC and electrical systems identified in Addendum B and Addendum C shall be funded via the Tenant Improvement Allowances. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes", (ii) fire sprinkler system installation or upgrade (provided any fire sprinkler system or upgrade beyond the Base Building Improvements shall be a Tenant Improvement Cost), (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere, (iv) utility costs incurred during construction, (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease except for those set forth in Addendum B and Addendum C.

**2.3. Base Building Plans.** Landlord has delivered to Tenant and Tenant hereby acknowledges receipt of “as built” plans and specifications for the Building.

**3. Selection of Architect and Engineer.** Landlord shall promptly solicit at least three (3) proposals from qualified licensed architect(s) (“**Architect**”) and engineer(s) (“**Engineer**”) familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings for Tenant Improvements as defined below. Within 48 hours of receipt of the proposals from the Architects and the Engineers, Landlord and Tenant shall jointly open and review the proposals. Landlord and Tenant, after adjustments for the inconsistent assumptions to reflect an “apples to apples” comparison, shall select an Architect and an Engineer. Landlord and Tenant shall mutually agree upon the most cost effective, responsive and responsible Architect and Engineer to be awarded the job.

**4. Selection of Contractor.** The Final Plans for the Tenant Improvements, as defined below in Section 5.4, shall be submitted to contractor(s) selected by Landlord and approved by Tenant (Tenant’s approval of the contractor(s) to be provided within 72 hours of Tenant’s receipt of their names), sufficient in number so that a minimum of three (3) bids are received. Each approved contractor shall be requested to submit a guaranteed maximum price bid (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. Landlord and Tenant shall jointly open and review the bids. Within 48 hours of receipt of the proposals from the contractors, Landlord and Tenant, after adjustments for inconsistent assumptions to reflect an “apples to apples” comparison, shall select the most cost effective, responsive and responsible contractor, and such contractor (“**Contractor**”) shall enter into a construction contract (“**Construction Contract**”) with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

**5. Preparation of Plans and Specifications and Construction Schedule.**

**5.1. Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, and file room (the “**Space Plan**”, which is attached as Addendum C).

**5.2. Preparation and Approval of Working Drawings.** Within sixty (60) days (which period shall be extended on a day for day basis for any Tenant Delay) after this Lease is executed by the County Board of Supervisors (the “**Plan Submission Date**”), Landlord shall instruct the Architect to commence preparation of Working Drawings for the Tenant Improvements (the “**Working Drawings**”), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review.

Tenant shall approve or disapprove the Working Drawings within ten (10) business days after Tenant receives the Working Drawings and, if disapproved, Tenant shall return the Working Drawings to Landlord specifying the reason for its disapproval, which disapproval shall be limited to the failure of Working Drawing to substantially conform to the Space Plans. Tenant shall approve or disapprove the revised Working Drawings within five (5) business days after Tenant receives the revised Working Drawings. Tenant's failure to either approve or disapprove the Working Drawings or the revised Working Drawings within the time periods set forth herein shall be deemed to constitute Tenant's approval of the Working Drawings or such revisions.

Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

**5.3. Preparation and Approval of Engineering Drawings.** Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("**Engineering Drawings**") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review.

Tenant shall approve or disapprove the Engineering Drawings within ten (10) business days after Tenant receives the Engineering Drawings and, if disapproved, Tenant shall return the Engineering Drawings to Landlord specifying the reason for its disapproval, which disapproval shall be limited to the failure of the Engineering Drawings to substantially conform to the Working Drawings. Tenant shall approve or disapprove the revised Engineering Drawings within five (5) business days after Tenant receives the revised Engineering Drawings. Tenant's failure to either approve or disapprove the Engineering Drawings or revised Engineering Drawings within the time periods set forth herein shall be deemed to constitute Tenant's approval of the Engineering Drawings or such revisions.

**5.4. Integration of Working Drawings and Engineering Drawings into Final Plans.** After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively, "**Final Plans**") and deliver five (5) sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

Tenant shall approve or disapprove the Final Plans within ten (10) business days after Tenant receives the Final Plans and, if disapproved, Tenant shall return the Final Plans to

Landlord, specifying the reason for its disapproval, which disapproval shall be limited to the failure of the Final Plans to substantially conform to the Working Drawings and the Engineering Drawings. Tenant shall approve or disapprove the revised Final Plans within five (5) business day after Tenant receives the revised Final Plans. Tenant's failure to either approve or disapprove the Final Plans or the revised Final Plans within the time periods set forth herein shall be deemed to constitute Tenant's approval of the Final Plans.

**5.5. Intentionally Omitted.**

**5.6. Schedule.** Within thirty (30) days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld (and shall be granted within five (5) business days of receipt thereof by Tenant), setting forth the dates for specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

**6. Final Construction Budget and Payment of Tenant Construction Costs.**

**6.1. Construction Budget.** Within twenty (20) business days after the date Contractor has been selected by the parties, Landlord shall submit to Tenant a preliminary budget which shall include the Contractor's contingency (the "**Preliminary Budget**"). Tenant shall have five (5) business days from the date of receipt of the Preliminary Construction Budget to approve or disapprove the Preliminary Construction Budget. In the event Tenant shall approve the Preliminary Budget, then that shall be defined as the "**Final Construction Budget**". In the event Tenant shall disapprove the Preliminary Budget, then Tenant shall provide proposed "value engineering" to the Preliminary Budget within such ten (10) business day period, in which event Landlord shall provide Tenant with a revised Preliminary Budget. Tenant shall have 48 hours to approve the revised Preliminary Budget. Once approved, the Preliminary Budget shall be referred to as the "**Final Construction Budget**", it being understood and agreed by the parties hereto that the time period incurred due to Tenant "value engineering" the Preliminary Budget shall be deemed to be a Tenant Delay (as hereinafter defined). Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five (5) business day period expires without any response from Tenant.

Landlord shall construct the Tenant Improvements according to Tenant's plans and specifications outlined in Addendum B and Addendum C at Landlord's sole cost and expense, subject to the Base Tenant Improvement Allowance and reimbursement as set forth in Section 6.3 hereof. When considering the costs of the Tenant Improvements, the following shall be included in the determination of said costs: an amount equal to Landlord's actual costs for architects' fees, contractors' fees, engineers' fees, other professionals' fees (if any, and only as approved in advance by Tenant).



**6.2. Additional Tenant Improvement Allowance.** All improvements required by the Final Plans and modular furniture described in the Modular Specifications, as further described in Addendum B and Addendum C hereto, shall be collectively referred to herein as “**Tenant Improvements**” and the cost thereof shall be first borne by Landlord (subject to the Base Tenant Improvement Allowance) and later reimbursed by Tenant in the manner provided for in Section 6.3 hereof. Costs of Tenant Improvements may include costs for furniture, telecommunications equipment, soft costs and any other costs designated in writing by Tenant in the aggregate not to exceed the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance, as defined in Section 1 hereof (“**Tenant Improvement Costs**”). Landlord shall be solely responsible for any delay in completing the Tenant Improvements except for delays arising from Tenant Delays as defined below. It is anticipated that the Tenant Improvement Costs will exceed the Base Tenant Improvement Allowance so that Tenant may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance. The amount of the Additional Tenant Improvement Allowance shall be paid to Landlord as provided herein.

**6.3. Method of Payment.** That portion of the Additional Tenant Improvement Allowance, if any, used to pay for the Tenant Improvement Costs above and beyond the Base Tenant Improvement Allowance shall be, at Tenant’s election pursuant to written notice by Tenant to Landlord on or prior to the Commencement Date, be paid to Landlord (a) in a lump sum when the Tenant Improvements are Substantially Complete, or (b) as additional rent calculated in a manner so as to amortize such amount over the first seven (7) years of the Lease Term at the rate of seven and one-half percent (7.5%) per annum to be paid as equal amortized monthly payments over the initial eighty-four (84) months of the Term of the Lease. Tenant may at any time during the Term pre-pay Landlord in a lump sum for all or any portion of the then remaining unpaid Additional Tenant Improvement Allowance. In the event the Tenant Improvement Costs exceed the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance, Tenant shall be responsible for such excess and shall pay for such excess within thirty (30) days of the date Tenant approves the Final Construction Budget.

Notwithstanding the foregoing to the contrary, any portion of the Additional Tenant Improvement Allowance that shall be paid by Tenant to Landlord prior to the second (2nd) anniversary of the Commencement Date shall be interest free, and the remaining portion of the Additional Tenant Improvement Allowance paid by Tenant to Landlord after the second (2nd) anniversary of the Commencement Date shall be amortized at the rate of seven and one-half percent (7.5%) as set forth in (b) above.

## **7. Construction of Tenant Improvements.**

**7.1. Tenant Improvements.** Tenant Improvements to be constructed by Landlord are described more particularly on Addendum B and Addendum C hereto.

**7.2. Bids.** Unless waived by Tenant in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be selected only after three (3) bids have been solicited from responsible and qualified persons. Landlord shall submit three (3) sealed guaranteed maximum price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract.

The bids shall be jointly opened and reviewed. The three (3) bids shall include the Contractor's contingency and an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Three bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

(a) Permits. Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

(b) Commencement of Construction. Landlord shall commence construction of the Base Building Improvements and Tenant Improvements within fifteen (15) business days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Base Building Improvements and Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays and/or Tenant Delays.

**7.3. Construction**. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts required by Tenant, shall be provided by Landlord at Landlord's expense in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Clean-Up Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors. Landlord further agrees to reimburse Tenant for any and all expenses incurred by Tenant as a result of inadequate clean-up, only after providing Landlord with ten (10) days' written notice specifying in reasonable detail what it considers inadequate clean-up and allowing Landlord ten (10) days to cure such remaining clean-up.

(d) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the work, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

**7.4. Conformed Plans.** Within sixty (60) days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans (“**as-builts**”) incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such “as-built” or “record documents” shall be submitted on three and one-half inch (3½”) 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

**8. Change Orders.** Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans (“**Change Order**”) provided both Tenant and Landlord approve such changes in writing.

**9. Furniture System.**

**9.1.** Tenant shall deliver to Landlord within ten (10) business days after the Lease is executed by the County Board of Supervisors, modular furniture plans and specifications (the “**Modular Specifications**”, Addendum C). Based on the Modular Specifications, Landlord and/or Landlord’s architect shall prepare a modular furniture specifications bid package for submission to no less than three (3) furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant shall have the right to approve or disapprove the bid package for five (5) business days after Tenant receives same. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs (shipping, storage, and taxes). Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such vendor (“**Vendor**”) shall enter into a contract (“**Furniture Contract**”) with Landlord consistent with the terms of the bid, which Furniture Contract shall include the Vendor’s projected delivery date of the Electrical Modular Furniture (as defined in Section 4(a) of the Lease).

Landlord shall provide the modular furniture set forth in the Modular Specifications and shall not be responsible for the cost of such modular furniture in excess of the Additional Tenant Improvement Allowance, since Tenant shall utilize the Additional Tenant Improvement Allowance to pay for the cost of the modular furniture set forth herein. Tenant shall reimburse the Landlord for the cost of the modular furniture as set forth in Section 6.3 hereof.

**9.2.** Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party Landlord (“**Creditor**”). In the event the Tenant elects to enter into a lease-purchase financing of the furniture (the “**Personal Property**”) through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

**10. Tenant Improvement Costs Adjustment and Right to Audit.** Within twenty (20) days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Alhambra, whichever occurs first, Landlord shall notify Tenant of the final Tenant Improvement costs, by executing a summarized breakdown of the total costs of the Tenant Improvements in the form of the attached Addendum C – Memorandum of Tenant Improvement Costs. Tenant shall have the right to audit such costs for a period of twenty-four (24) months from the date of Tenant's acceptance of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and Landlord shall pay Tenant the amount of any over-payment made by Tenant within thirty (30) days and future payments shall be adjusted as appropriate based upon the audit results. In the event Landlord disagrees with the results of the audit, Landlord shall appoint an independent auditor (subject to Tenant's consent thereto) to review the total Tenant Improvement Costs and the conclusion of the independent auditor shall be binding on the parties.

**11. Exclusions.** The Tenant Improvement Costs shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

**12. Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Space Plan and specifications provided by Tenant, at least 30 days prior to the Commencement Date. During this thirty (30) day period, the Landlord shall be responsible for any telephone/data equipment delivered to the site for programming prior to the Commencement Date.

**13. Substantial Completion; Delay.**

**13.1. Tenant Delays and Force Majeure Delays.** Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements (excluding Tenant Delays, defined below). Subject to the provisions of Section 13.2, the Commencement Date set forth in the Lease shall be extended one (1) business day for each day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein but only to the extent such delays delay the

commencement or completion of construction of the Tenant Improvements and/or any Change Order, if such Change Order actually delays the Substantial Completion of the Tenant Improvements per this Work Letter (referred to herein as “**Tenant Delay(s)**”); or (ii) Substantial Completion of the Tenant Improvements is delayed by lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as “**Force Majeure Delay(s)**”).

### **13.2. Limitations.**

(a) Notice. No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within forty-eight (48) hours of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) Mitigation. Tenant Delays and Force Majeure Delays shall delay the Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord’s reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make.

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten (10) days of Tenant Delays and four (4) days of Force Majeure Delays which occur during the same ten (10) day period of such Tenant Delays, then the Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Commencement Date would be extended by fourteen (14) days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the Change Order authorization.

**13.3. Substantial Completion.** For purposes of this Work Letter and the Lease, the Tenant Improvements shall be “**Substantially Complete**” per the terms and conditions of Section 4 of the Lease.

**14. Tenant Remedies.** If Landlord fails to obtain the building permit to construct the Base Building Improvements and/or Tenant Improvements (but excluding therefrom any obligation of Landlord to obtain any permit with respect to the modular furniture system per Section 9.1 of this Landlord’s Work Letter) within a reasonable time, taking all factors into consideration, or if the Base Building Improvements and/or Tenant Improvements have not been completed within one hundred eighty (180) days following the date this Lease is mutually executed by the parties (extended for Tenant Delays and/or Force Majeure Delays), Tenant may, at its option:

**14.1.** Cancel the Lease upon thirty (30) days’ written notice to Landlord; or

14.2. Upon thirty (30) days' written notice to Landlord, assume the responsibility for providing the Tenant Improvements itself. If Tenant elects to provide Tenant Improvements itself, then:

(a) Tenant, its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of constructing the Tenant Improvements and for any other purposes reasonably related thereto; and

(b) Tenant shall not have the right to terminate this Lease pursuant to Section 14.1 hereof. Notwithstanding the foregoing, all other early termination provisions of the Lease and this Work Letter shall remain valid and prevail throughout the Base Building Improvement and Tenant Improvement process and term of the Lease; and

(c) Rent shall be reduced by Tenant's total expense in constructing the Tenant Improvements to the extent not previously funded by Landlord through the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of seven and one-half percent (7.5%) (collectively, "**Tenant's Total Expense**"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's Total Expense shall be fully amortized in equal monthly amounts over seven (7) years and deducted from the rent payable hereunder and under the Lease.

Any default by Landlord under the terms of this Landlord's Work Letter shall constitute a default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

## 15. Representatives.

15.1. Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

15.2. Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

16. Elevator Usage During Move-In. In the event that the use of the freight elevators and/or hoists is not sufficient to meet Tenant's requirements, Landlord shall cause to be made operational (a) a temporary construction elevator and hoist, or (b) Tenant shall have priority usage of two (2) passenger elevators in the elevator bank that services the Premises in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

17. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five (5) business days of the date the Contractor is selected.

18. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

*[Signatures on Next Page]*

**LANDLORD:**

**THE ALHAMBRA OFFICE COMMUNITY, LLC,**  
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized Project, LLC,**  
a Delaware limited liability company, its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**  
a Delaware limited liability company, its Sole Member

By: **Ratkovich 1000, LLC,**  
a California limited liability company,  
its Administrative Member

By: **Ratkovich Investment Company, LLC,**  
a California limited liability company,  
its Managing Member

By: Wayne Ratkovich

Print Name: Wayne Ratkovich

Title: Managing Member

**TENANT:**

**COUNTY OF LOS ANGELES,**  
a body politic and corporate

By: \_\_\_\_\_

Name: \_\_\_\_\_

Christopher M. Montana  
Director of Real Estate



## **ADDENDUM A To Landlord's Work Letter**

### **BASE BUILDING IMPROVEMENTS**

Landlord has constructed and shall construct, at its sole cost and expense Base Building Improvements to include the following:

- (a) the Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;
- (b) the mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building;
- (c) men's and women's restrooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;
- (d) concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of fifty (50) pounds per square foot and a partition load of twenty (20) pounds per square foot;
- (e) HVAC system and duct for cooling and heating;
- (f) fire sprinkler distribution, including secondary piping and sprinkler heads as required by government regulations;
- (g) fire-life safety system as required by government regulations;
- (h) gypsum board drywall on the service core walls, columns and sills in the Premises;
- (i) electrical closet with transformer(s) providing adequate power of not less than seven (7) watts per rentable square foot;
- (j) telephone closet with MPOE for phone service;
- (k) mechanical equipment room with ducted mechanical exhaust system;
- (l) primary fire sprinkler distribution, including secondary piping and sprinkler heads as required by government regulations; and
- (m) primary fire-life safety enunciation system "backbone" and panels as required by government regulations.

## **ADDENDUM B To Landlord's Work Letter**

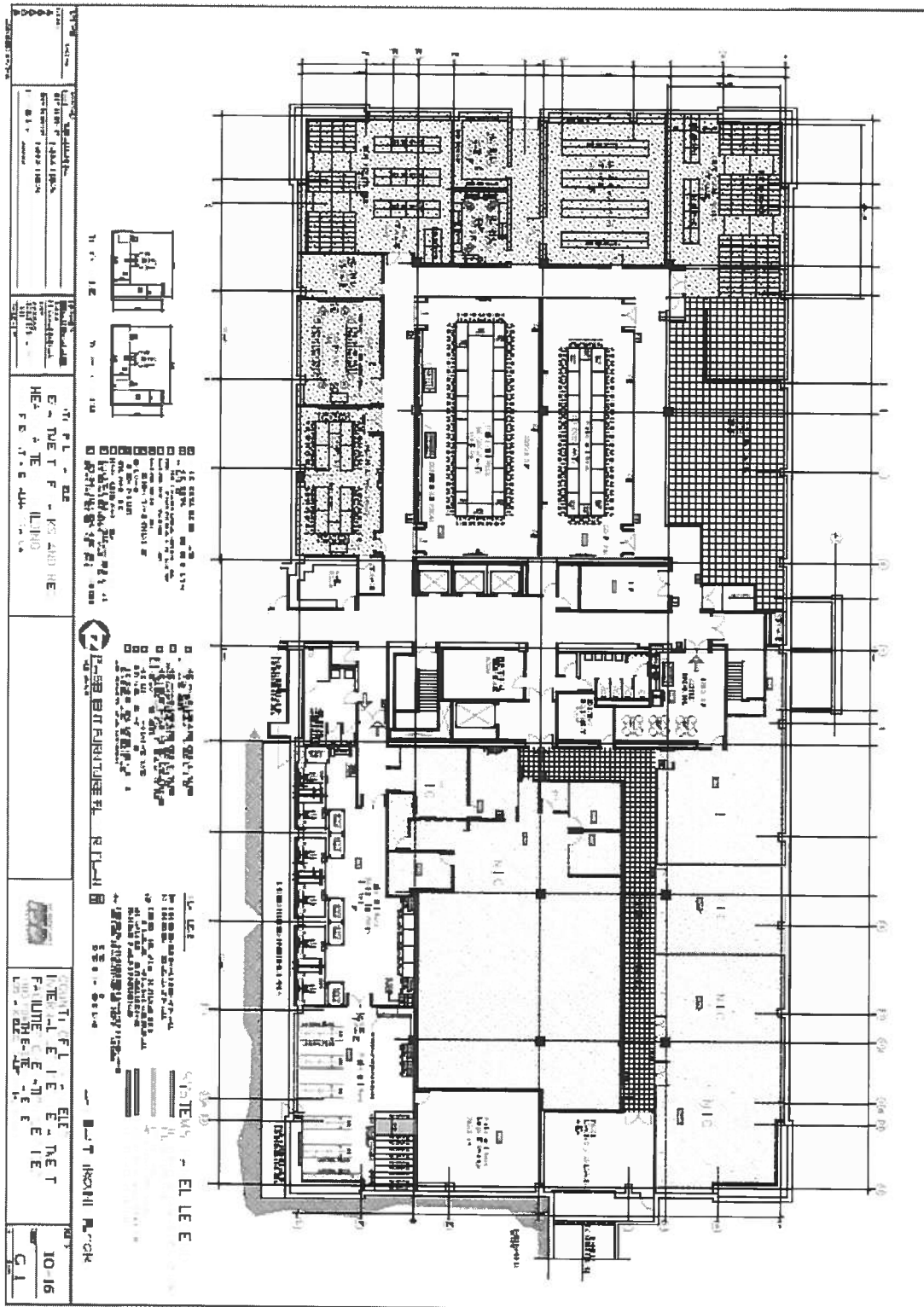
### **TENANT IMPROVEMENTS**

Tenant improvements to be constructed using the Tenant Improvement Allowances shall include:

- (n) Tenant ceilings and lighting;
- (o) Floor finishes in the Premises;
- (p) Interior finishes of any kind within the Premises;
- (q) Interior partitions, doors and hardware within the Premises;
- (r) Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor;
- (s) HVAC and electrical upgrades above and beyond the Base Building Improvements set forth in Addendum A hereof;
- (t) Conduits, electrical/data outlets and other electrical components sufficient for Tenant's electrical and data specifications;
- (u) Any and all signs for Tenant and the power therefor; and
- (v) After-hours HVAC system, separate from main Base Building HVAC system, for telephone/computer room.

# ADDENDUM C To Landlord's Work Letter

## TENANT'S SPACE PLANS









## EXHIBIT I

### **RIGHT OF FIRST OFFER AGREEMENT**

THIS RIGHT OF FIRST OFFER AGREEMENT (this “**Agreement**”) is entered into as of the 15th day of November, 2016, by and between **THE ALHAMBRA OFFICE COMMUNITY, LLC**, a Delaware limited liability company (“**Owner**”), and **COUNTY OF LOS ANGELES**, a body politic and corporate (“**Offeree**”). Owner and Offeree are sometimes hereinafter individually or collectively called a “**Party**” or the “**Parties**”.

### RECITALS

A. Offeree has leased from Owner pursuant to that certain Lease dated November 15, 2016 between Owner and Offeree (the “**Lease**”) certain real property and the improvements located thereon located in the City of Alhambra, County of Los Angeles, State of California, which is more particularly described on Exhibit A attached hereto (collectively, the “**Property**”). The portion of the Property leased by Offeree under the Lease (the “**Premises**”) is not the entire Property but this ROFO shall apply only to the entire Property.

B. As an inducement to Offeree to execute the Lease, Owner has agreed not to “**Transfer**” (as defined below) its interest in the Property to a third party without first providing Offeree with a right of first offer (“**ROFO**”) to purchase the Property, subject to the conditions set forth in the Lease and this Agreement.

C. Offeree has also leased by separate leases an additional 165,553 square feet of the Property.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt of which are hereby acknowledged, it is hereby agreed as follows:

#### **Section 1. Grant of Right of First Offer.**

**1.1 Transfer.** From and after the Effective Date, as defined below, Owner shall not Transfer (as hereinafter defined) during the term of the Lease its interest in the Property to a third party except in accordance with the provisions of this Agreement.

(a) **Procedure.** Owner shall give notice to Offeree (the “**First Offer Notice**”) before Owner consummates a Transfer of its interest in the Property to a third party. The First Offer Notice shall describe Owner’s proposed Transfer and all of the economic and non-economic terms applicable to Offeree’s purchase of the Property. For purposes of this Agreement, the term “**economic terms**” shall be defined to mean only those economic terms that are to be accounted for on a final escrow closing/settlement statement. The “**non-economic terms**” shall be on terms as set forth in the form purchase and sale agreement (“**Purchase Agreement**”) as attached to the First Offer Notice (collectively with the economic terms set forth in the First Offer Notice, the “**First Offer Terms**”).

(b) Procedure for Acceptance. Within seventy-five (75) days after delivery of the First Offer Notice (the “**Offer Election Date**”), Offeree shall deliver written notice to Owner (“**Offeree’s Election Notice**”) pursuant to which Offeree shall elect either to (x) purchase the Property pursuant to the First Offer Terms set forth in the First Offer Notice, or (y) decline to purchase the Property, in which event this Agreement and the ROFO set forth herein (and in the Lease, to the extent a right of first offer may be stated, referenced or incorporated therein) shall thereupon terminate and be of no further force or effect (unless reinstated pursuant to Section 1.1(c)(i) or 1.2 below).

(i) If Offeree gives Owner written notice on or before the Offer Election Date of its election to purchase the Property under clause (b)(x) above, then (x) the obligation of the Parties to proceed under the Purchase Agreement shall be subject to approval by the Board of Supervisors prior to the expiration of the Offer Election Date, (y) within three (3) business days after receiving such approval, Offeree shall deposit an amount equal to three percent (3%) of the purchase price with the escrow agent (“**Escrow Agent**”) designated in the Purchase Agreement, and (z) the Parties shall close the transaction contemplated under the Purchase Agreement within ninety (90) days after delivery of the First Offer Notice. If such approval is not obtained (and written notice thereof delivered to Owner) on or before the Offer Election Date, or if such deposit is not deposited with Escrow Agent by the expiration of such three-business-day period, then the Purchase Agreement and (subject to reinstatement pursuant to Section 1.1(c)(i) or 1.2 below) Offeree’s ROFO set forth herein (and any right of first offer in the Lease) shall automatically terminate.

(ii) If Offeree fails to give Owner written notice on or before the Offer Election Date of its election to purchase the Property under clause (b)(x) above, then Offeree shall be irrevocably deemed to have elected the option described in clause (b)(y) above, in which event Offeree’s ROFO set forth herein (and any right of first offer in the Lease) shall thereupon terminate, subject to reinstatement pursuant to Section 1.1(c)(i) or 1.2 below.

(c) Owner’s Response.

(i) If Offeree elects to purchase the Property, then within five (5) days after receipt of Offeree’s Election Notice, Owner and Offeree shall deliver to each other and Escrow Agent a signed counterpart of the Purchase Agreement with the First Offer Terms incorporated therein. If Offeree does not elect to purchase the Property, Owner may, at its election, and subject to the terms of this paragraph, during the nine (9) month period (as the same may be extended under Section 1.2, the “**Closing Period**”) following Offeree’s refusal or deemed refusal, Transfer the Property to any entity on such terms and conditions as are acceptable to Owner and such third party purchaser in their sole and absolute discretion (which terms and conditions, including representations, indemnities and/or warranties (if any), need not conform or be equivalent to and may materially differ from those set forth in the First Offer Notice and may include a sale of the Property via an entity interest sale); subject, however, to Offeree’s rights under Section 1.2 below. If Owner does not Transfer the Property within the Closing Period, then Owner shall, subject to the limitations set forth in this Agreement, submit to Offeree a new First Offer Notice with respect to the Property prior to consummating a Transfer of its interest in the Property to a third party.



(ii) Nothing herein shall be deemed to impose any obligation of the Owner to sell or elect to sell the Property to Offeree or any other party during the effective period of this Agreement.

(d) Effective Date. This ROFO shall be personal to the Offeree and cannot be assigned or transferred to any other party. The ROFO shall further be effective only at such time as all the following conditions (the “**ROFO Conditions**”) have been satisfied (“**Effective Date**”):

(i) Offeree has waived any right to terminate the Lease and given written notice of such waiver to Owner.

(ii) No Event of Default has occurred and is outstanding under the Lease.

(iii) The Lease is in full force and effect.

(iv) Offeree is in occupancy of a minimum of 230,000 square feet of leased space at the Property.

(v) Offeree has not subleased any portion of the Premises.

(vi) No casualty event shall have occurred and be unrepaired.

If any of the ROFO Conditions (other than clause (i) above) is not satisfied at any time after the date of this Agreement, then this Agreement shall automatically terminate.

Upon written request from Owner, from time to time, Offeree shall confirm the status of this Agreement and the ROFO Conditions within ten (10) days of such request pursuant to a commercially reasonable estoppel certificate.

**1.2 Material Modification.** For purposes of this Agreement, a “**Material Modification**” shall mean any decrease of more than ten percent (10%) in the economic terms (or change in cost allocations of the Purchase Agreement that would have the same effect), when considered in the aggregate. If the Owner’s proposed Transfer is at economic terms, when considered in the aggregate, of ninety percent (90%) or more than the proposed First Offer Terms to Offeree set forth in the First Offer Notice, Owner shall have no obligation to submit another offer to Offeree under this Section 1.2. However, if Owner desires to Transfer and (a) such Transfer contains a Material Modification and (b) the conditions set forth in Section 1.1(a) above remain satisfied, then prior to consummation of such Transfer, Owner shall provide Offeree with a written notice of the revised economic terms and the First Offer Terms shall be deemed modified thereby. Offeree shall have ten (10) business days to accept such revised First Offer Terms by written notice to Owner in the same manner as required under Section 1.1(b) and (c) for acceptance of the original First Offer Terms, *mutatis mutandis* (and without limitation, such acceptance shall not be effective unless Offeree deposits, within three (3) business days of such written notice, with Escrow Agent an amount equal to three percent

(3%) of the purchase price, as modified by such revised terms, and evidence of the written approval of the Board of Supervisors). If Offeree fails to accept such revised First Offer Terms within such period, then Owner may proceed with a Transfer to a third party and the Closing Period shall be extended to the extent necessary so that it does not expire sooner than the date that is four (4) months after the last day of such ten (10) business day period. Ten (10) business days shall mean by 5:00 p.m. Pacific time on the tenth (10th) business day following the submission of such revised economic terms to Offeree.

**1.3 Termination of Right of First Offer.** If pursuant to this Agreement Owner completes the Transfer of the Property described in the First Offer Notice to a third party, then this Agreement (and any right of first offer set forth in the Lease) shall terminate. This Agreement shall also terminate if (1) Offeree elects to terminate the Purchase Agreement executed by Offeree and Owner during the due diligence period under such Purchase Agreement (or otherwise pursuant to such Purchase Agreement other than by reason of Owner's breach of its obligation to close the purchase), (2) Offeree fails to close the purchase pursuant to such Purchase Agreement, unless excused thereunder as a result of Owner's breach of its obligation to close the purchase, or (3) as otherwise provided in this Agreement.

**1.4 Subordination.** This Agreement is subject and subordinate to any deed of trust or encumbrance now or hereafter existing on the Property (as the same may be supplemented, amended or otherwise modified). Such subordination shall be automatic and shall not require the execution of any further documentation to effectuate the same, but Offeree shall execute such documents as may be reasonably requested to reflect such subordination as and when requested by Owner.

**1.5 Applicability.** The Property is currently being marketed, the conditions to the Effective Date have not been satisfied and this Agreement shall not be effective during the current marketing efforts.

**1.6 Third Party Discussions.** Nothing in this Agreement shall prohibit Owner from engaging in discussions with potential purchasers with respect to the Property prior to delivering a First Offer Notice.

**1.7 Indemnity.** Offeree hereby absolutely, unconditionally and irrevocably agrees to indemnify, hold harmless and defend Owner from and against any loss, cost, expense, liability, damage, obligation, claim, lien or encumbrance arising from or in connection with any of the following: (1) any attempt by Offeree or any affiliate, principal, agent, shareholder, officer or other person acting on Offeree's behalf or in concert with Offeree (each, an "**Offeree Party**") to prevent, hinder, delay, dispute or interfere with the exercise by Owner of its right to sell the Property to a third party in accordance with this Agreement, or (2) any litigation by any Offeree Party which seeks to prevent, hinder, delay, dispute or interfere with Owner's right to sell the Property to a third party in accordance with this Agreement.

**1.8 Property Adjustment.** Subject to compliance with applicable law, from to time, in its sole and absolute discretion, Owner may adjust or modify the description of the Property to exclude portions thereof or include additional property. Upon completion

thereof, Exhibit A of the Property shall be automatically amended by the delivery to Offeree of an amended Exhibit A identified as "Exhibit A, Amended dated \_\_\_\_\_".

**Section 2. Transfer Defined.** As used in this Agreement, the term "**Transfer**" shall be defined to mean any sale, or other conveyance of fee title to the Property; provided, however, there shall be excluded from this Agreement (1) any sale or disposition to subsidiaries or Affiliates of Owner or any person or entity which currently has a direct or indirect ownership interest in the Property, provided, however, that in the event of such transfer to a subsidiary or Affiliate, this Agreement shall remain in effect, (2) a mandatory (as prescribed by law) conveyance to any governmental authority (or a conveyance under threat thereof), (3) pledge or encumbrance of any property as security for a loan or to a foreclosure of conveyance-in-lieu of foreclosure to a lender to which any property has been pledged as security, (4) any Transfer in connection with the current marketing efforts of Holliday Fenoglio Fowler, L.P. or (5) any "portfolio sale" (i.e., a sale wherein the Property is sold in combination with one or more other properties).

**Section 3. Assignment.** Owner may assign its rights and duties hereunder at any time without consent only to an Affiliate of Owner or pursuant to Section 31(c) of the Lease. Offeree's rights hereunder are also subject to the restrictions and conditions set forth in the Lease. Except as set forth herein, in the Lease and the Purchase Agreement, Offeree and Owner may not voluntarily or by operation of law assign or transfer any right, interest or obligation hereunder without the other party's express prior written consent, which consent may be given or withheld in such party's sole discretion for any reason whatsoever. An "**Affiliate**" of a Party shall mean an entity controlled by, controlling or under common control of such party.

**Section 4. Notices.** Any notice which a Party is required or may desire to give another Party shall be in writing and may be delivered (1) personally, (2) by United States registered or certified mail, postage prepaid, or (3) by Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the Party sending the notice). Any such notice to a Party shall be addressed at the address set forth below (subject to the right of a Party to designate a different address for itself by notice similarly given). Service of any such notice or other communications so made shall be deemed effective on the day of actual delivery (whether accepted or refused), as shown by the addressee's return receipt if by certified mail, and as confirmed by the courier service if by courier; provided, however, that if such actual delivery occurs after 5:00 p.m. (local time where received) or on a non-business day, then such notice or demand so made shall be deemed effective on the first business day after the day of actual delivery. Except as expressly provided otherwise in this Agreement, no communications via facsimile or electronic mail shall be effective to give any notice, request, direction, demand, consent, waiver, approval or other communications hereunder. The Parties' addresses for notices are as follows:

If to Owner:

c/o The Ratkovich Company  
700 South Flower Street, Suite 2600  
Los Angeles, California 90017  
Attention: Clare DeBriere  
Telephone: (213) 486-6500

With Copies to:

DLA Piper LLP (US)  
550 South Hope Street, Suite 2300  
Los Angeles, California 90071  
Attention: Marshall M. Taylor, Esq.  
Telephone: (213) 330-7739

AIG Global Real Estate Investment Corp.  
121 Spear Street, 5th Floor  
San Francisco, CA 94105  
Attention: Andrew J. Pellman  
Telephone: (415) 399-5856

AIG Global Real Estate Investment Corp.  
32 Old Slip, 28th Floor  
New York, NY 10005  
Attention: General Counsel  
Telephone: (646) 857-2300

If to Offeree:

Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With Copies to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 830-0927

**Section 5. Dispute Costs.** If either Party institutes any action or proceeding to interpret or enforce any provision of this Agreement or for damages by reason of an alleged breach of any provisions of this Agreement, the prevailing Party shall be entitled to recover its actual attorneys' fees and all fees, costs and expenses incurred in connection with such suit. Such attorneys' fees, fees, costs and expenses shall include post-judgment attorneys' fees, fees, costs and expenses incurred on appeal or in collection of any judgment. This provision is separate and several and shall survive merger of this provision into any judgment on this Agreement.

**Section 6. Successors and Assigns.** This Agreement and the provisions hereof shall inure to the benefit of and be binding upon the Parties to this Agreement and their respective successors, heirs and permitted assigns.

**Section 7. Entire Agreement.** This Agreement, together with the other written agreements referred to herein and Exhibit A attached hereto, is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and is intended as the complete and exclusive statement of the terms of the agreement between the Parties.

**Section 8. Modifications.** No modification of this Agreement shall be effective unless set forth in writing and signed by both Parties.

**Section 9. Severability.** If any provision of this Agreement, or the application thereof, shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and application of such provision to other circumstances, shall be interpreted so as best to reasonably effect the intent of the Parties hereto.

**Section 10. Waiver.** The waiver by either Party of any breach by the other Party of any term, covenant or condition herein contained or either Party's failure or delay to exercise any right, power or privilege hereunder will not be deemed to be a waiver thereof or of any subsequent breach, failure or delay.

**Section 11. Execution; Counterparts.** This Agreement may be executed in two (2) or more counterparts, all of which together as to the same such document shall constitute one and the same agreement. The delivery of an executed counterpart of this Agreement as a PDF or similar attachment to an email shall constitute effective delivery of such counterpart for all purposes with the same force and effect as the delivery of an original, executed counterpart.

**Section 12. Interpretation; Governing Law.** This Agreement shall be construed as if prepared by both Parties. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. This Agreement shall be construed, interpreted and governed by the laws of the State of California and the laws of the United States of America prevailing in California.

**Section 13. Further Assurances.** Each Party shall execute such further documents and take such further actions as may be reasonably requested by the other Party to consummate or confirm the transactions contemplated by this Agreement.

**Section 14. Time of the Essence.** Time is of the essence of this Agreement and each and every term and provision hereof.

**Section 15. No Third Party Beneficiaries.** Except as otherwise expressly set forth herein, Owner and Offeree do not intend, and this Agreement shall not be construed, to create a third-party beneficiary status or interest in, nor give any third-party beneficiary rights or remedies to, any other person or entity not a party to this Agreement.

**Section 16. Memorandum.** This Agreement shall not be recorded or placed of public record. Notwithstanding the foregoing, Owner and Offeree agree, within five (5) business days following the other Party's request therefor, to execute and deliver to the requesting party a memorandum of this Agreement, acceptable to both parties, which may, at the requesting party's option, be recorded in the public records of the county in which the Premises is located;

provided, however, that the form of memorandum must include a provision pursuant to which Owner can unilaterally record an effective termination thereof upon the expiration thereof and that such offer is contingent upon satisfaction of certain conditions.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

**"OWNER"**

**THE ALHAMBRA OFFICE COMMUNITY, LLC,**  
a Delaware limited liability company

By: **AIGGRE-TRC Alhambra Stabilized Project, LLC,**  
a Delaware limited liability company,  
its Sole Member

By: **AIGGRE-TRC Alhambra, LLC,**  
a Delaware limited liability company,  
its Sole Member

By: **Ratkovich 1000, LLC,**  
a California limited liability  
company,  
its Administrative Member

By: **Ratkovich Investment Company, LLC,**  
a California limited liability  
company,  
its Managing Member

By: Wayne Ratkovich  
Print Name: Wayne Ratkovich  
Title: Managing Member

**"OFFEREE"**

**COUNTY OF LOS ANGELES,**  
a body politic and corporate

By: Hilda L. Solis

Name: HILDA L. SOLIS  
Hilda L. Solis  
Chair, Board of Supervisors



I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

LORI GLASGOW  
Executive Officer  
Clerk of the Board of Supervisors

By: Lachelle Smithman  
Deputy

78547

**ATTEST:**

Lori Glasgow  
Executive Officer-Clerk  
of the Board of Supervisors

By: Lachelle Smithman  
Deputy

**APPROVED AS TO FORM:**

Mary C. Wickham  
County Counsel

By: [Signature]  
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

**#12**

**NOV 15 2016**

Lori Glasgow  
**LORI GLASGOW**  
**EXECUTIVE OFFICER**

**Exhibit A**

**Real Property**

**Legal Description**

**PARCEL 1:**

LOTS 8 THROUGH 12, INCLUSIVE, B, C AND E OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 62, PAGE(S) 47 OF MAPS, RECORDS OF SAID COUNTY, LOTS 1 THROUGH 7, INCLUSIVE, 12, 13 AND 14, INCLUSIVE ALL OF BLOCK 26, AND LOTS 1 THROUGH 6, INCLUSIVE, OF BLOCK 27 OF SUBDIVISION NO. 4 OF DOLGEVILLE, IN SAID CITY, AS PER THE MAP RECORDED IN BOOK 5, PAGE 97 OF SAID MAPS, AND A PORTION OF VACATED CHESTNUT STREET, 60 FEET, AS SHOWN ON SAID SUBDIVISION NO. 4 OF DOLGEVILLE.

EXCEPTING THEREFROM THOSE PORTIONS OF SAID LOTS 12 AND C OF TRACT NO. 5683, LYING SOUTHERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF SAID LOT 12 OF TRACT NO. 5683 AND A LINE PARALLEL WITH AND 270.05 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE CURVED NORTHWESTERLY LINE OF SAID LOT C, SAID CURVE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 450.09 FEET; THENCE NORTHERLY ALONG SAID CURVED LINE TO A LINE PARALLEL WITH AND 1301.80 FEET SOUTH OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683; THENCE EASTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 7; THENCE ALONG SAID PROLONGATION AND NORTHERLY LINE TO SAID WESTERLY LINE OF DATE AVENUE.

ALSO EXCEPT THEREFROM THE FOLLOWING PARCELS OF LAND:

(PARCEL 1 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO. 06-900580);

THOSE PORTIONS OF LOTS 9 AND C OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, LOTS 12, 13 AND 14, OF BLOCK 26 OF SUBDIVISION NO. 4 OF

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DOLGEVILLE, IN SAID CITY, AS PER THE MAP RECORDED IN BOOK 5, PAGE 97 OF SAID MAPS, AND PORTIONS OF LOTS 1 AND 2, OF BLOCK 27 AS SHOWN ON SAID SUBDIVISION NO. 4 OF DOLGEVILLE AND A PORTION OF VACATED CHESTNUT STREET, 60 FEET WIDE, AS SHOWN ON SAID SUBDIVISION NO. 4 OF DOLGEVILLE, BOUNDED AS FOLLOWS:

NORTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 7, OF SAID BLOCK 26 OF SUBDIVISION NO. 4 OF DOLGEVILLE.

SOUTHERLY, BY A LINE PARALLEL WITH AND 851.70 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

WESTERLY, BY A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

(PARCEL 2 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO. 06-900580):

THOSE PORTIONS OF LOTS 8, 9, 10 AND B OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE PARALLEL WITH AND 127.50 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683 AND A LINE PARALLEL WITH AND 620.02 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683; THENCE EASTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 402.38 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE SOUTHERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 235.00 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF ORANGE STREET; THENCE EASTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE SOUTHERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 475.82 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF ORANGE STREET; THENCE WESTERLY ALONG SAID PARALLEL LINE TO SAID LINE BEING PARALLEL WITH AND 620.02 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE POINT OF BEGINNING.

(PARCEL 3 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO. 06-900580):

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Exhibit A to Exhibit I - 2

THOSE PORTIONS OF LOTS 9, 10, B AND E OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER THE MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, TOGETHER WITH A PORTION OF VACATED CHESTNUT STREET, 60 FEET WIDE, AS SHOWN ON THE SUBDIVISION NO. 4 OF DOLGEVILLE, IN SAID CITY, AS PER THE MAP RECORDED IN BOOK 5, PAGE 97 OF SAID MAPS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE PARALLEL WITH AND 475.82 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683 AND A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683; THENCE SOUTHERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 746.64 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF ORANGE STREET; THENCE WESTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 447.07 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE SOUTHERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 776.00 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF ORANGE STREET; THENCE WESTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 620.02 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO SAID LINE BEING PARALLEL WITH AND 475.82 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET; THENCE EASTERLY ALONG SAID PARALLEL LINE TO THE POINT OF BEGINNING.

(PARCEL 6 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO. 02-1714836);

THAT PORTION OF LOT 9 OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, LOTS 1 THROUGH 7, INCLUSIVE, OF BLOCK 26 OF SUBDIVISION NO. 4 OF DOLGEVILLE, IN SAID CITY, AS PER THE MAP RECORDED IN BOOK 5, PAGE 97 OF SAID MAPS, BOUNDED AS FOLLOWS:

SOUTHERLY, BY THE SOUTHERLY LINE OF SAID LOT 7 AND ITS WESTERLY PROLONGATION.

WESTERLY, BY A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

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Exhibit A to Exhibit I - 3

(PARCEL 7 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO.  
02-1714836):

THAT PORTION OF LOT 9 OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, BOUNDED AS FOLLOWS:

SOUTHERLY, BY A LINE PARALLEL WITH AND 235.00 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

EASTERLY, BY A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

WESTERLY, BY A LINE PARALLEL WITH AND 402.38 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE.

EXCEPT FROM THOSE PORTIONS OF SAID LAND DESCRIBED IN THE DEED RECORDED DECEMBER 28, 1950 AS INSTRUMENT NO. 1741, ALL MINERALS, PETROLEUM, OIL, NATURAL GAS, AND PRODUCTS DERIVED THEREFROM WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED, HOWEVER, THAT THE GRANTORS, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, BUT SHALL HAVE THE RIGHT TO ENTER BENEATH THE SURFACE OF SAID LAND BY LATERAL OR SLANT DRILLING AND BORING FOR SUCH PURPOSES; PROVIDED, FURTHER THAT IN SO DOING THE GRANTORS, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT DISTURB THE SURFACE OF SAID LAND, OR ANY IMPROVEMENTS THEREON, OR REMOVE OR IMPAIR THE LATERAL OR SUBJACENT SUPPORT OF SAID LAND, OR ANY IMPROVEMENTS THEREON, AS RESERVED AND PROVIDED IN THE DEED FROM SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED DECEMBER 28, 1950 AS INSTRUMENT NO. 1741, IN BOOK 35183, PAGE 78, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS, PETROLEUM, OIL, NATURAL GAS, AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO; PROVIDED, HOWEVER, THAT GRANTORS, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, BUT SHALL HAVE THE RIGHT TO ENTER BENEATH THE SURFACE OF SAID LAND BY LATERAL OR SLANT DRILLING AND BORING FOR SUCH PURPOSES; PROVIDED, FURTHER, THAT IN SO DOING GRANTORS, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT DISTURB THE

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Exhibit A to Exhibit I - 4

SURFACE OF SAID LAND, OR ANY IMPROVEMENTS THEREON, OR REMOVE OR REPAIR THE LATERAL OR SUBJACENT SUPPORT OF SAID LAND OR ANY IMPROVEMENTS THEREON, AS RESERVED AND PROVIDED IN THE DEED FROM SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED MAY 17, 1951 AS INSTRUMENT NO. 1008, IN BOOK 36310, PAGE 112, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THE TITLE AND EXCLUSIVE RIGHT TO ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AND TO MAKE SUCH USE OF THE SAID LAND BENEATH THE SURFACE AS IS NECESSARY OR USEFUL IN CONNECTION THEREWITH, WHICH USE MAY INCLUDE LATERAL OR SLANT DRILLING, BORING, DIGGING OR SINKING OF WELLS, SHAFTS OR TUNNELS, PROVIDED HOWEVER, THAT SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AND SHALL NOT DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON, AS RESERVED BY THE SOUTHERN PACIFIC COMPANY, A CORPORATION IN THE DEED RECORDED JUNE 27, 1967, AS INSTRUMENT NO. 2699, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID PROPERTY LYING BELOW A DEPTH OF 500 FEET MEASURED VERTICALLY FROM THE CONTOUR OF THE SURFACE THEREOF; PROVIDED, HOWEVER, THAT GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT FOR ANY PURPOSE WHATSOEVER TO ENTER UPON, INTO OR THROUGH THE SURFACE OF THE PROPERTY GRANTED HEREIN OR ANY PART THEREOF LYING BETWEEN SAID SURFACE AND 500 FEET BELOW SAID SURFACE, AS RESERVED IN DEED RECORDED APRIL 1, 1977 AS INSTRUMENT NO. 77-327187, OFFICIAL RECORDS.

PARCEL 2:

EASEMENTS FOR INGRESS AND EGRESS BY VEHICULAR AND PEDESTRIAN TRAFFIC AND PARKING PURPOSES AND MORE PARTICULARLY DESCRIBED THEREIN AND UPON THE TERMS AND CONDITIONS CONTAINED THEREIN AND AS CREATED BY THAT CERTAIN "PARKING AND CONSTRUCTION EASEMENT AGREEMENT" DATED JUNE \_\_, 2006 AND RECORDED JUNE \_\_, 2006 AS INSTRUMENT NO. 06-\_\_\_\_\_ OF OFFICIAL RECORDS, EXECUTED BY AND BETWEEN THE ALHAMBRA RESIDENTIAL COMMUNITY, LLC, A DELAWARE

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Exhibit A to Exhibit I - 5

LIMITED LIABILITY COMPANY AND THE ALHAMBRA OFFICE COMMUNITY, LLC, A DELAWARE LIMITED LIABILITY COMPANY LYING OVER PORTIONS OF THE FOLLOWING DESCRIBED LAND AS MORE PARTICULARLY DESCRIBED IN SAID AGREEMENT:

(PARCEL 1 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO. 06-900580):

THOSE PORTIONS OF LOTS 9 AND C OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, LOTS 12, 13 AND 14, OF BLOCK 26 OF SUBDIVISION NO. 4 OF DOLGEVILLE, IN SAID CITY, AS PER THE MAP RECORDED IN BOOK 5, PAGE 97 OF SAID MAPS, AND PORTIONS OF LOTS 1 AND 2, OF BLOCK 27 AS SHOWN ON SAID SUBDIVISION NO. 4 OF DOLGEVILLE AND A PORTION OF VACATED CHESTNUT STREET, 60 FEET WIDE, AS SHOWN ON SAID SUBDIVISION NO. 4 OF DOLGEVILLE, BOUNDED AS FOLLOWS:

NORTHERLY BY THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 7, OF SAID BLOCK 26 OF SUBDIVISION NO. 4 OF DOLGEVILLE.

SOUTHERLY, BY A LINE PARALLEL WITH AND 851.70 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

WESTERLY, BY A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

(PARCEL 2 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO. 06-900580):

THOSE PORTIONS OF LOTS 8, 9, 10 AND B OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE PARALLEL WITH AND 127.50 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683 AND A LINE PARALLEL WITH AND 620.02 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683; THENCE EASTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 402.38 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE SOUTHERLY ALONG SAID PARALLEL LINE TO A LINE

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Exhibit A to Exhibit I - 6

PARALLEL WITH AND 235.00 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF ORANGE STREET; THENCE EASTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE SOUTHERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 475.82 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF ORANGE STREET; THENCE WESTERLY ALONG SAID PARALLEL LINE TO SAID LINE BEING PARALLEL WITH AND 620.02 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE POINT OF BEGINNING.

(PARCEL 3 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO.  
| 06-900580):

THOSE PORTIONS OF LOTS 9, 10, B AND E OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER THE MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, TOGETHER WITH A PORTION OF VACATED CHESTNUT STREET, 60 FEET WIDE, AS SHOWN ON THE SUBDIVISION NO. 4 OF DOLGEVILLE, IN SAID CITY, AS PER THE MAP RECORDED IN BOOK 5, PAGE 97 OF SAID MAPS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE PARALLEL WITH AND 475.82 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683 AND A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683; THENCE SOUTHERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 746.64 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF ORANGE STREET; THENCE WESTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 447.07 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE SOUTHERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 776.00 FEET SOUTHERLY OF SAID SOUTHERLY LINE OF ORANGE STREET; THENCE WESTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 620.02 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO SAID LINE BEING PARALLEL WITH AND 475.82 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET; THENCE EASTERLY ALONG SAID PARALLEL LINE TO THE POINT OF BEGINNING.

(PARCEL 6 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO.  
| 02-1714836):

THAT PORTION OF LOT 9 OF TRACT NO. 5683, IN THE CITY OF

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Exhibit A to Exhibit I - 7

ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, LOTS 1 THROUGH 7, INCLUSIVE, OF BLOCK 26 OF SUBDIVISION NO. 4 OF DOLGEVILLE, IN SAID CITY, AS PER THE MAP RECORDED IN BOOK 5, PAGE 97 OF SAID MAPS, BOUNDED AS FOLLOWS:

SOUTHERLY, BY THE SOUTHERLY LINE OF SAID LOT 7 AND ITS WESTERLY PROLONGATION.

WESTERLY, BY A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

(PARCEL 7 OF LOT LINE ADJUSTMENT RECORDED AS INSTRUMENT NO. 02-1714836):

THAT PORTION OF LOT 9 OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 62, PAGE 47 OF MAPS, RECORDS OF SAID COUNTY, BOUNDED AS FOLLOWS:

SOUTHERLY, BY A LINE PARALLEL WITH AND 235.00 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

EASTERLY, BY A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683.

WESTERLY, BY A LINE PARALLEL WITH AND 402.38 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE.

EXCEPT FROM THE ABOVE DESCRIBED PARCELS:

EXCEPT FROM THOSE PORTIONS OF SAID LAND DESCRIBED IN THE DEED RECORDED DECEMBER 28, 1950 AS INSTRUMENT NO. 1741, ALL MINERALS, PETROLEUM, OIL, NATURAL GAS, AND PRODUCTS DERIVED THEREFROM WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO, PROVIDED, HOWEVER, THAT THE GRANTORS, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, BUT SHALL HAVE THE RIGHT TO ENTER BENEATH THE SURFACE OF SAID

LAND BY LATERAL OR SLANT DRILLING AND BORING FOR SUCH PURPOSES; PROVIDED, FURTHER THAT IN SO DOING THE GRANTORS, THEIR

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SUCCESSORS OR ASSIGNS, SHALL NOT DISTURB THE SURFACE OF SAID LAND, OR ANY IMPROVEMENTS THEREON, OR REMOVE OR IMPAIR THE LATERAL OR SUBJACENT SUPPORT OF SAID LAND, OR ANY IMPROVEMENTS THEREON, AS RESERVED AND PROVIDED IN THE DEED FROM SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED DECEMBER 28, 1950 AS INSTRUMENT NO. 1741, IN BOOK 35183, PAGE 78, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS, PETROLEUM, OIL, NATURAL GAS, AND PRODUCTS DERIVED THEREFROM, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, AND ALL RIGHTS THERETO; PROVIDED, HOWEVER, THAT GRANTORS, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, BUT SHALL HAVE THE RIGHT TO ENTER BENEATH THE SURFACE OF SAID LAND BY LATERAL OR SLANT DRILLING AND BORING FOR SUCH PURPOSES; PROVIDED, FURTHER, THAT IN SO DOING GRANTORS, THEIR SUCCESSORS OR ASSIGNS, SHALL NOT DISTURB THE SURFACE OF SAID LAND, OR ANY IMPROVEMENTS THEREON, OR REMOVE OR REPAIR THE LATERAL OR SUBJACENT SUPPORT OF SAID LAND OR ANY IMPROVEMENTS THEREON, AS RESERVED AND PROVIDED IN THE DEED FROM SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED MAY 17, 1951 AS INSTRUMENT NO. 1008, IN BOOK 36310, PAGE 112, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THE TITLE AND EXCLUSIVE RIGHT TO ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AND TO MAKE SUCH USE OF THE SAID LAND BENEATH THE SURFACE AS IS NECESSARY OR USEFUL IN CONNECTION THEREWITH, WHICH USE MAY INCLUDE LATERAL OR SLANT DRILLING, BORING, DIGGING OR SINKING OF WELLS, SHAFTS OR TUNNELS, PROVIDED HOWEVER, THAT SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS, AND SHALL NOT DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON, AS RESERVED BY THE SOUTHERN PACIFIC COMPANY, A CORPORATION IN THE DEED RECORDED JUNE 27, 1967, AS INSTRUMENT NO. 2699, OFFICIAL RECORDS.

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ALSO EXCEPTING THEREFROM THAT PORTION OF SAID PROPERTY LYING BELOW A DEPTH OF 500 FEET MEASURED VERTICALLY FROM THE CONTOUR OF THE SURFACE THEREOF; PROVIDED, HOWEVER, THAT GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT FOR ANY PURPOSE WHATSOEVER TO ENTER UPON, INTO OR THROUGH THE SURFACE OF THE PROPERTY GRANTED HEREIN OR ANY PART THEREOF LYING BETWEEN SAID SURFACE AND 500 FEET BELOW SAID SURFACE, AS RESERVED IN DEED RECORDED APRIL 1, 1977 AS INSTRUMENT NO. 77-327187, OFFICIAL RECORDS.

PARCEL 3:

AN EASEMENT FOR PARKING PURPOSES AS CREATED BY THAT CERTAIN DOCUMENT ENTITLED "PARKING EASEMENT AGREEMENT" DATED JUNE \_\_, 2006 EXECUTED BY AND BETWEEN THE ALHAMBRA CORNER COMMUNITY, LLC, A DELAWARE LIMITED LIABILITY COMPANY; THE ALHAMBRA OFFICE COMMUNITY, LLC, A DELAWARE LIMITED LIABILITY COMPANY AND THE CORNER COMPANY, A CALIFORNIA LIMITED LIABILITY COMPANY AND LYING OVER THE FOLLOWING DESCRIBED LAND:

THOSE PORTIONS OF LOTS 12 AND C OF TRACT NO. 5683, IN THE CITY OF ALHAMBRA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 62, PAGE(S) 47 OF MAPS, RECORDS OF SAID COUNTY, LOTS 7, 8, 9, 10 AND 12, BLOCK 27, SUBDIVISION NO. 4 OF DOLGEVILLE, IN SAID CITY, AS PER THE MAP RECORDED IN BOOK, 5, PAGE 97 OF SAID MAPS, LYING SOUTHERLY AND EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF SAID LOT 12 OF TRACT NO. 5683, AND A LINE PARALLEL WITH AND 270.05 FEET WESTERLY OF THE WESTERLY LINE OF DATE AVENUE, 80 FEET WIDE, AS SHOWN ON SAID TRACT NO. 5683; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE CURVED NORTHWESTERLY LINE OF SAID LOT C, SAID CURVE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 450.09 FEET; THENCE NORTHERLY ALONG SAID CURVED LINE TO A LINE PARALLEL WITH AND 1301.80 FEET SOUTHERLY OF THE SOUTHERLY LINE OF ORANGE STREET, 60 FEET WIDE, AS SHOWN ON SAID TRACT 5683; THENCE EASTERLY ALONG SAID PARALLEL LINE TO A LINE PARALLEL WITH AND 214.75 FEET WESTERLY OF SAID WESTERLY LINE OF DATE AVENUE; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 7; THENCE ALONG SAID PROLONGATION AND NORTHERLY LINE TO SAID WESTERLY LINE OF DATE AVENUE.

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